Ser. H. H-27—104,006—8-11-49

Development (1951) Department

HS SERIES

G.O. NO. 1745 89

Dated 12-4-1951

[Despatch Abstract.]

Acts and Rules - State Aid to Industries Act - application from Laxmi Ramadas Agricultural Industries, Nagarjunda South Ranga District - for a loan of Rs-25,000/- and a Bank Cash Credit of Rs. 10,000/- Rejected

41216

12.4.51

Industries and commerce Departmer

From
The Director of Industries and commerce, Madras 6.

To
The Secretary to Government,
Development Department,
Fort St. George, Madras.

Lr. S.A. 7682-50 dated the 4th April, 1951

Sir,

Sub:- State Aid to Industries - application from Laxmi Damodar Agricultural Industries, Maddugudda - South Kanara District for a loan of Rs. 25,000 and a Bank cash credit of Rs. 10,000/-

SECRETARY TO GOVT. 12 APL 1951 DEVELOPMENT

Sri K. Devaraja Nayak, Chief Executive and Attorney, Laxmi Damodar Agricultural Industries, Maddugadda has applied under the provisions of the Madras State Aid to Industries Act for a loan of Rs. 25,000 and a Bank cash credit for Rs. 10,000/- for discharge of existing liabilities for purchase of an oil rotary and for use as working capital.

A copy of the application together with a copy of the note prepared thereon for the guidance of the Board of Industries is enclosed.

The application was placed before the Board of Industries at its 61st meeting held at Madras on 27-3-51. An extract of the Proceedings of the meeting is also enclosed.

Orders of Government are requested on the application

bvs/5-4

for Director of Industries and commerce.

NOTE FOR THE BOARD OF INDUSTRIES:

Application from Laxmi Demodar Agricultural Industries, Maddugudda, Coondapur, South Kanara District for a loan of Rs. 25,000/- and a Bank Cash ~~xxxx~~ Credit for Rs. 10,000/-.

Sri. K. Devaraja Nayak, Chief Executive and Attorney, Laxmi Damodar Agricultural Industries, Muddugudda, Coondapur, South Kanara District has applied under the provisions of the Madras State Aid to Industries Act for a loan of Rs. 25,000/- and a Bank Cash Credit for Rs. 10,000/- repayable in eight annual instalments to be utilised as follows:--

(i) for discharge of existing liabilities Rs. 23,000/-
(ii) for/~~xxxxxxxxx~~ purchase and installation of an oil rotary Rs. 2,000.
(iii) for use as working capital in connection with the applicants rice hulling, oil milling, jaggery manufacturing, flour grinding, coffee roasting and timber sawing industries Rs. 10,000/-.

Total Rs. 35,000/-

The applicants attention was drawn to the fact that all the industries for which aid was sought were old and established industries and that as per the provisions of section V (1) of Madras State Aid Industries Act, no aid could be granted unless the applicant could adduce special reasons for the grant of such aid to the satisfaction of the State Government. The applicant has not adduced any valid reasons warranting grant of aid with reference to 5(1) of the Act.

The views of the Board of Industries are requested on the application.

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Extract of the Proceedings of the 61st meeting (Madras dated 27-3-51).

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(7) Application from Laxmi Damodar Agricultural Industries, Maddugadda, South Kanara District for a loan of Rs. 25,000 and Bank cash credit of Rs.10,000/-

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The applicant Sri K. Devaraja Nayak, is the proprietor of a small factory undertaking rice milling, oil milling, saw milling, jaggery manufacturing etc., The aid applied for is intended for discharge of existing liabilities and for purchase of an oil rotary.

The Board considered that there were no reasons to justify grant of aid to the industries run by the applicant which were old and established and resolved to recommend rejection of the application under section 4(1)(d) of the Madras State Aid to Industries Act.

(True copy)

57

Laxmi Damodar Agricultural Industries.

Estd: 1945.

Maddugudda, COONDAPOOR, S. K. S. India.

Rice Mills, Oil Mills, Saw Mills, Flour Mills, & Jaggery Manufacturers.

M.R.M.L. 6/48.

K. Devaraj Nayak.
Chief Executive & Attorney.

COONDAPOOR,
Date

From

K.Devaraja Nayak,
Chief Executive and Attorney,
Laxmi Damodar Agricultural Industries,
Maddugudda, COONDAPOOR.

To

Sri. M.T. Raju, Bar-at Law, I.C.S.,
Director of Industries and Commerce,
Madras, 6.

Sir,

Sub: State Aid to Industries - Application for loan and Cash Credit - My application dated 4-10-50.

NC Ref:- L.Dis. No.S.A.6452/50, dated 11-11-50.
No.S.A.7682-50 dated 9-1-51

A detailed report of the working of the Mill since 1945 September 1950.

The Mill was founded in the year 1945 by my father Sri. K. Narasimha Nayak for the primary needs of our Agricultural enterprise. Though originally it was put on a small scale, it was expanded for the growing demands of the situation. Soon after the introduction of the rice control and the Government system of planned milling, under Government control we installed a rice Mill.

For the growing demands of the Oil crushing Industries an Oil rotary was added in 1945. Both worked satisfactorily upto 1947. The whole work being seasonal beginning from October to April it did not give us the expected relief. The power engine was so small and it was found quite inconvenient to do both things at one time. So we put our customers to a great inconvenience. To satisfy the customers, that being our tradition, we purchased an 17 B.H.P. Oil engine. The engine which was driven from high speed diesel Oil was put put to

Written under authority as the Chief Executive and Attorney. Exclusively for Governmental correspondences only. Papers signed by me only are genuine to guard against misuse of office papers and seal.

to immediate use for non-availability of Oil in the market. So we are put to a high loss.

We are the pioneers in rice and oil crushing in Coondapoor and we did a yeoman service to the Agriculturists. We made them self conscious about economic conditions surrounding them and from 1945 onwards we are crushing at about 1,000 maunds of oil from the agriculturists. So many have gained from our initiative. We have shown them the art of marketing by contacting them to the actual consumers. In this connection our model farm has done a good amount of service to the agriculturists. Our way of pumping water to the fields, our nursery farms, our cocoanut plantations have made so many people conscious of improvements and all additions of water pumps, Oil engines are but our self induction in Coondapoor Taluk, the credit of which must fall to our share.

These are the silent achievements of our post-war reconstruction. Our next improvement goes to show the service we are rendering to the agriculturists. In 1948 a saw bench was added to to our Mill to make the work "Whole-year". It did not give us the expected relief. In 1949 an additional service to the agriculturists was guaranteed by installing a sugarcane crushing machine, a system of scientific jaggery manufacture. The customers showed a keen interest and the whole year of 1945 was taken as an experimental one. The people are not machine minded and we serviced them on a cheap basis. We are the pioneers in this field in our Taluk and our art of processing is being praised by the Superintendent of Government farms, Coimbatore, and the Agricultural Sugarcane Demonstrator, Coondapoor. For advertisement at this experimental stage we have led to face a severe loss.

Causes of deterioration: Several worth mentioning points made it difficult for us to run the Mill smoothly. Mismanagement stood first in the way of our smoothly running .....

the Mills. Being strangers in the field the slackness in the management aggravated our position. People began to blackmail against us for paltry reasons because of which we could not take people into confidence and we became void of public sympathy.

The businessmen tried their level best in blackmailing our products. We did not find it possible to surmount the obstacles. This is really proved to be a hindrance to our progress. They added their edible oils with cheap oils by way of adulteration and tried to market their own products at a cheaper rates. Because of the competition we are forced to wind up our business which was then at its infancy. So, the benefit of real trade was deprived to us. The matter was referred to the Chambers of Commerce and lastly to the Collector of South Kanara, but no action has been found to be taken by them. This is the period for the survival of the fittest and to overcome these obstacles Government must come to our rescue. Finance has proved to be a bottle neck to our enterprise and this short coming cannot be replaced by artificial means. Unless and until a long term loan is secured it is difficult to accomplish a stable economic environment. Planned schemes and work-outs are the prime necessities of the day. We are lacking in that respect. This has accelerated our deterioration in moneys. Planned schemes if elaborately worked out will surely give fair dividends. The businessmen in collaboration with the local officials have tried to give us trouble as far as possible and there are a few instances where we are at the risk of losing our licence and some privileges at the hands of the local officials, but for the timely intervention of the Collector of South Kanara we are relieved. There are so many instances where we have been humiliated and have been surrendered to the local officials for their party feelings. The businessmen have reaped a good dividend in playing their tricks. This is the legacy left behind it after these four or five years of transition.

we are at the beginning of the end of deterioration and the only thing left to us is to cling to the Government support or perish. But before being perished, I would like to put forward these facts with all the solemnity and sincerity before the Government and requesting for a loan under these difficult period of depression to revitalise our concern. Some special features have been affiliated and so many things are to be done primarily depending upon this would be, "Favours".

Special Features: The concern was started in the year 1945 when I was in the College in Mangalore. I passed my Inter of the Madras University in 1947. During the period because of my young age I did not take any interest in the concern. Naturall my father took the advice of so many people which proved to be fateful in the end, mortgaged all the properties and invested the amount in the Mill. Each year was thought to be a promising one, proved to be a fateful in the last. We are being led to believ the coming year to be a successful one. Hence the concern was managed and was running at a loss. In 1947 to our surprise our finance was dried and we have no other alternative. Soon after my education in 1947, I was forced to remain inside, contrary to my wish though it materialised, for I did not get a seat in the Engineering College. So, I was forced to look at the affairs of the Mill although reluctantly. For the successive four years I did not get a seat in the College. Hence, concrete obstacles were placed on the way of my education and I being mature enough to look at things for myself I have come to these conclusions. But to be surprised I saw that all our properties have been mortgaged for the sake of the Mill and everything was in a fix. Being young enough I could not draw plans nor effectively manage the Mill. With an empty account I did not prove to be a good Manager. In 1949, December 7, I took the power of attorney from my father and I took all the powers and became the first Chief Executive and attorney barely at the age of 21. By taking some hand loans from my well wishers and relatives, I managed

to run the Mill from 1947 to September 1950. Now I have become helpless and the state of affairs have been worsened. I have evolved an elaborate plan to reorganise the Mill on a sound footing for which I am applying for a loan to the Government. I will be sympathised for my state of affairs and I hope I will receive a sympathetic hearing in the hands of the Government, for I am placed at the mercy of the covernment of Madras in these hard days of the survival of the fittest.

The only difficulty was the maintenance of accounts as such no provision has been made from the balance sheets. They have not maintained any proper accounts from the beginning to the end. Therefore I am taking the Officials into my confidence before giving these facts. In my opinion preparing a balance sheet of the previous year when there was no proper accounts is nothing but impossible and defective. So, I will request you, sir, to believe to my facts sincerely and I will assure you of my highest regards and sincerity to the Government. So I will request you to believe me in every word of my statements lest it will prove fatal to my ambition and shorten it.

Under these circumstances, I am requesting the Government of Madras, Industries Department, for a long range loan of Rs.35,000/- of different natures. The one is for Rs.25,000/- paid in 8 equal yearly instalments of Rs.3,125/- and the other being for a Bank Cash Credit for Rs.10,000/- for a period of 8 years at a low rate of interest. In view of our poor economic stability and poor resources, a low rate of interest will help t great extent in consolidating our economic stability. The Bank's Cash Credit for Rs.10,000/- will be in force for 8 years and at the end of it I am sure I am paying all my dues to the Government abiding by the restrictions imposed upon me. sticking to any severe conditions I am prepared to undertake the loan.

My aims and objectives: The main object of the loan is to stabilise our economic conditions and to draw out correct

full scale plans and to maximise the output and to minimise the maintenance.. Every possible precautions will be taken to see that nothing is spent on new undertakins but to work out effectively on the old machinery with some alterations. Pains will be taken to see more will be done and to run the Mill on a yearly basis. All useful suggestions will be taken from the Government or from the ~~Semmang~~ Statutory bodies in respect of improvements and new undertakings will be started on sound advice and lay out plans.

Provision will be made for good accounts and effective management will be ensured. Good advertisement will be made and full facilities will be given to market the agricultural products and to foster closer relations between the Government and the agriculturists. Farming will be popularised and active advice will be given to the needy. No restrictions or discremination will be allowed in the Mill. Possible facilities will be given to the Cottage Industries and especially in the rainy season work will be given to the cottage industries keeping in view of our financial soundness. Pains will be taken to take people into confidence and to evolve better relations between the producers and the manufacturers and lastly I am trying to get the best education out of these pools and provision will be made for them..

Every year a clean budget will be drawn and all items will be considered at a par with the Government's policy subject to the confirmation of the Director of Industries. I want to make this Mill an ideal one and every year a portion of the amount will be utilised for my education and reserve fund. I am trying to work out these plans with the aid of my brothers one is younger and the other is elder.. both less educated than me.

During the course of this period I am managing this Mill personally or manage it through my brothers with full day-to-

day-to-day instructions from me. My future education is depend ing upon the materialisation of this scheme. My would be education will be "Bar-at-Law" or any other course I like best. I am undertaking this serious job under great strain knowing before hand my weaknesses and limitations. I am undertaking this venture to our own existence, otherwise we will have an economic breakdown and we will perish, ultimately, and will meet an unnatural death.

I am justified in expressing my sincere hopes and aims and ambitions to the Government with full of forward looking thoughts and any humiliation will be received with great agony. Because of the economic policy of the Government and consequently of the Reserve Bank of India, no Banks are advancing loans unless through the recommendation of Government. Under these circumstances, I am forwarding this loan application to the Government. So I am requesting to expedite the matter lest we fall rapidly by financial breakdown and our business collapse. The Mill is mortgaged to the Canara Banking Corporation, Udipi for Rs.6,000/- and all the cash memos and the documents are with them. After the preliminary is over and as soon as I hear the information from you I am sending you all the required documents with the title deeds and other allied things.

Myself being a young man of 21, I should be humbly excused if I am wrong in the way of handling the matter and I may be humbly excused and further advised in the matter. The paper should carefully gone through and any doubts if exists, I am prepared to extend to you either written or by personal address. A chance should be given to me to address the August body while in Session. I am prepared to argue my case personally and I hope I am prepared to answer all the questions put to me by the Members.

So, I request you, Sir, to consider this from all perspectives and to give me a cordial hearing for my loan

14

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application. Though it has some demerits I hope the authorities will let loose me with a note of warning and allow my dreams of youth to materialise. If loan is passed the instalments will be paid to the Government at the appointed date and on no occasion any excuse will be put forward by me, Any serious conditions will be undertaken regarding the prompt payment of the instalments.

As the seasons has already begun and as the Government paddy is not being given to us, we are forced to close down the Mill. Hence I request you, Sir, to give me prompt help in reopening my Mill. The matter should be expedited and immediate arrangements be made in the matter.

Yours faithfully,

(K.Bevaraj Nayak)
Chief Executive & Attorney.

COONDAPOOR
17th Jan. 1951

9 15

FORM OF APPLICATION FOR AID UNDER THE STATE AID TO INDUSTRIES ACT, 1922.

(Madras Act No V of 1923.)

(For Instructions for filling up the form vide appendix)

1. Name of the applicant and his full address:-

K. Devaraja Nayak,
Chief Executive Attorney,
Laxmi Damodar Agricultural Industries,
Muddugudda, Post Coondapoor, S. KANARA.

2. Nature of the Industrial concern for which aid is sought:

i. Description of the goods manufactured;

A/ Rice, Oil, sawing, Jaggery, flour and Coffee powder.

ii. Capital invested.

Rs.30,000/- (Thirty thousand only)

Fixed: Rs.25,000/- (Twenty five thousand only)

working capital: Rs.5,000/- (Rs.Five thousand) only.

iii. Goods manufactured:-

No.	Goods Manufactured.	Seasonal	production	Remarks.
1.	Rice	do	100 muras per day nearly 12000 muras of rice per season.	subject to availability of work these items of work can be turned out per season or per year as the case may be. Generally we do not get any work nor can produce anything for lack finance If work is guaranteed more work can be done by maximising the production by enhancing the working hours without harm to the machinery. This is the average capacity of production. This can be maximised by 24 percent of the work of production. This can be maximised by 24 percent of the work of production, without undue troubles of risk.
2.	Oil	do can be made whole year	75 tons of copra can be crushed per year	
3.	Sawing	do	5000 cft per year	
4.	Jaggery	seasonal	10 tons of Jaggery every year	
5.	Flour	seasonal	50 tons of flour every year	
6.	Coffee	whole year	3 tons per year	

iv. Balance sheets: No balance sheet and profit and loss accounts are not possible to send. Reasons I have given in these adjoining papers. Since these four years no business is being done. But it was worked on a hire basis.

a gross profit of Rs.2,500/- which is being found impossible to main the Mill. The working of the Mill being a seasonal one we have to maintain workers on a yearly basis and the additional 6 months' maintenance makes us to bear a loss to the extent of Rs.2,000/- which has been borne for the last 5 years In the coming year business and profit is guaranteed and the correct balance sheet and the profit and loss accounts will be sent to the Government audited by a certified auditor to the satisfaction of the Director of Industries.

3. The administrative, Technical and Executive staff an are to be appointed with qualification:-

Category	Existing	to be appointed.
i. Administrative	2 My father and a paid one	One*
ii. Technical	2 My two brothers	Nil
iii Executive	1 Myself	Nil

*. What this denotes is appointing administrative man is such having business experience of ten years to his credit and having a high noble character and good behaviour, on a salary fixed by the Government.

4. The facilities available for the development of the Industry and;
5. The nature of the processes to be employed;

No	Goods manfd.	Sources of Raw materials	Transport facilities	Estimated & anticipated profits	Nature of the processes to be employed	market
1.	Rice	Pady local	River & Road	Rs. 2,000/-	Huller type	Local
2.	Oil	Copra; Local Mangalore & Calicut	,,	3,000/-	Rotary	Local & Mysore state
3.	Sawing	Timber:Local		2,000/-	Saw Bench	Local & Mangalore
4.	Jaggery:	Sugarcane:Local		2,500/-	cane crusher	Local & Porbander.
5.	Flour	Grams Local		1,000/-	Grinder	Local
6.	Coffee powder.	Coffee Mangalore	,,	1,000/-	Grinder	Local

N.B. Transport facilities as follows, Road, long distance by lorry; Short distance by Bullock carts. Sea and river by country crafts. This chart is one of anticipations. we have not yet done like this but I am hopeful and guaranteeing business if loan is passed, subject to the satisfaction of the Director of Industries.

6. Details of plant and machinery installed or proposed to be Installed at the works:

No.	Name of the machine of Equipment & Size	Manufacturer's Name and address	Date of purchase & Cost	Conditions: New or 2nd hand
1.	Huller No.1 1 Polisher, pulleys with blowers and some country made spare parts and husk exhaust pipes.	Batlibhai & Co., Coimbatore	6-12-47 Rs.1,200/	second hand
2.	a) Oil rotary-Maximum size	Navagiri Oil rotaries, machinery Merchants, Bombay.	9-3-44 Rs.1,200	do
	b) Copra cutter	Local	3-1-48 Rs.400/-	New
3.	All cast iron saw bench with 4X2½ ft plating with stands and with a new local saw sharpener and five blades with all fittings.	Dandekar's machinery merchants, Satara.	9-10-48	New
4.	Cane crusher-big size with all fittings.	Burne & Co., Howrah Calcutta	11-1p-49 Rs.1,200/-	2nd hand.
5.	Allied boiling pans with store tanks pipes and forks.	Local country made	Nov.49 Rs.700/-	New
6.	Flour Grinder with all fittings	Dandekar's Satara	9-4-48 Rs.400/-	2nd hand.
7.	Coffee Roaster with grinder	Batlibai & Co., Coimbatore	10-6-50 Rs.125/-	do
8.	17.19 B.P.H. With 1" water pump & all fittings-	Blackstone & Co., Bombay	9-10-47 Rs.3,400/-	nd hand.
9.	2½" Dia shaft of 18 ft and 4, 2½" bearing and 3 cast iron pulleys and one 14" fast and loose pulley.	Beligion Make & Local	13-1-48 Rs.780/-	do
10	1" Piston pump	English Make	20-9-50 Rs.250/-	New
11	Spare parts water tank 2 - 100 gal capacity with 100 ft galvanised pipes and 60 zinc sheets 2 paddy boiling boilers and tools and a consignment of Rs.400/- spare parts.	Local and also Batliboi, Coimbatore	Rs.1,500/-	some new some old

Note on Machinery: When we were quite new to the world of machinery our new purchases made us suffer a heavy loss. We had the notion in general that the machinery was a costly affair and there are a few

instances where we have paid Rs.100/- for 8 foundation bolts owing to iron scarcity. The machinery was purchased at a heavy cost than the prices prevailing in the market. Being new and unable to get the machinery from the direct importers we were put to a severe loss. No body has given us the correct memos, only on blank papers purposely to evade income tax and sales tax. So I will request you sir, to believe me in what I am saying and help us in the matter in consolidating our position. In view of my young age and the contest in which I am placed will really move the Members to a considerable extent. And I hope I will be treated sympathetically looking to my miserable position.

6 (b) Machinery proposed to be installed:-

1. Oil Rotary is to be installed within a short period from any well known makers, preferably a new one at an estimated cost of Rs.1,000/- (If more paddy is given to us for milling a paddy separator will be purchased at a rough cost of Rs.1,800/-

After depending upon the business trend and the money market a proposal has been made for a tile factory at an estimated cost of Rs.40,000/- on a ten year basis making a provision for the amount in the yearly profits beginning from 1951 onwards. It will be taking shape probably in September 1952. A capital amount of Rs.4,000/- will be invested on pug Mill and stamp press and another loan of Rs.10,000/- will be raised for additional maintenance and working capital subject to the confirmation of the Director of Industries.

7 (a) Estimated cost of undertaking and probable time that will be occupied in its execution (Details of recurring and non recurring expenditure should be furnished separately)

(1) Estimated non recurring expenditure:-

Particulars.	Already incurred	Proposed to be incurred	Total
1. Land	Rs. 6,000/-	Rs.1,000/-	Rs.7,000/-
2. Buildings	Rs.10,000/-	Rs.1,000/-	Rs.11,000/-
3. Machinery & Eq	12,130/-	Rs.1,500/-	Rs.13,630/-
4. Installations	3,000/-	Rs. 500/-	3,500/-
Total	31,130/-	Rs. 4,000/-	35,130/-

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NOTE: For more repairs and and for an engine room we have spent Rs.10,000/- The acutal cost of the Mill and the House now costs about Rs.30,000/- according to present conditions.

7. (b) Estimated recurring expenditure per annum after the proposed above have been made.

1. Raw materials and stores.		Rs.1,000/-
2. Power and Fuel	..	Rs.2,000/-
3. Labour	..	Rs.3,500/-
4. Over heads:-	Rs.As. Ps.	
Rent for Building	100 0 0	
Expenses for management	2000 0 0	
Advertisement	200 0 0	
Interest on loans	1500 0 0	
Depreciation	1500 0 0	
		Rs.5,300/-
		Rs.11,800/-

NOTE:- In case of unforeseen circumstances we are prepared to forego the management expenditure and first provision will be made for the debts and instalments owed to the Government..

8. Approximate number of operatives: Employed or to be Employed: Already employed 3 men; to be employed, 1.

9. Estimated net expenditure per annum in running the works

Present expenditure	...	Rs. 6,000/-
After the loan is passed	...	Rs. 11,800/-

10. Estimated net profits accruing:-

Income	Rs.As. Ps.	Expenditure	Rs.As. P
1. Rice hulling wages.	2,000 0 0	Raw Materials	1,000 0 0
2. Cocoanut Oil	7,000 0 0	Power and fuel	2,000 0 0
3. Jaggery (Wages)	2,500 0 0	Labour	3,500 0 0
4. Sawing	2,000 0 0	Rent	100 0 0
5. Flour	1,000 0 0	Management	2,000 0 0
6. Coffee Powder	1,000 0 0	Interest on loans	1,500 0 0
		Depreciation	1,500 0 0
7. By direct business and on commission.	2,000 0 0	Advertisement	200 0 0
		Sundries.	200 0 0
Total	17,000 0 0		12,000 0 0

Showing a net profit of Rs.5,500/- Less first instalment Rs.3,125/ rupees leaving a balance of Rupees 2,375/- If business is done

20

carefully in the open market I am sure a net profit of [illegible] can be guaranteed on the total turnover of the business.

11. Reasons why the business cannot be financed without State Assistance.

If the loan for Rs.25,000/- is passed the amo[illegible] may be utilised as follows:-

1. Discharging thee existing liabilities on land given as collateral security.	[illegible]000/-
2. Discharging the Bank's liability on the Mill given as security.	[illegible]000/-
3. To discharge personal liability, i.e. pro notes and personal loans.	[illegible]11000/-
4. To pay off any arrears in suspense, if any	Rs. 1000/-
5. In respect of purchasing the proposed machinery and its installations.	Rs. 2000/-
Total	Rs.25,000/-

Another Rs.10,000/- secured by way of Bank Cash credit will be utilised for the business as working capital.

12. Nature and extent of State aid applied for:

The particular clauses of section 6 under which aid is applied for should be stated.

Section 6, Methods of giving State Aid. Subject to the provisions of this act and of the rules framed there under the (Provincial Govt) shall have power to give aid to an industrial business or enterprise in one or more of the following ways:-

(a) By granting a loan:

(b) By granting a cash credit, overdraft or fixed advance with a Bank.

A long term loan of Rs.25,000/- and a Bank cash credit for Rs.10,000/- as working capital for the duration of 8 years. The amount of Rs.25,000/- will be given by 8 yearly instalments of Rs.3,125/- exclusively of interest. The loan should be on a cheap rate of interest and the liability will be discharged by 8 years. During this period of 8 years we should be given a Bank cash Credit for Rs.10,000/- in force for 8 years and after that period we are going to discharge the liability of both the Government and the Bank/

12 21

13. Security offered:-

1. Mill and one dwelling house, comprising of 1 acre 89 (

2. 5 acres and 62 cents of mulgeni rights cultivable lands will be given as collateral security.

DESCRIPTION OF PROPERTY.

S.No.	Sub Dn	Kisam	Extent A C	Assessment Rs. As. Ps	Loca	Boundaries.
208	1	garden	0-69	4 2 0	Coondapoor Town Ward IV, Maddugudda.	
208	3	,,	0-10	0 11 0	,,	
212	6	,,	0-76	3 13 0	,,	
212	7	wet	0-16	0 8 0	,,	
212	11	dry	0-18	0 4 0	,,	
209	3	wet	2-69	18 3 0	,,	
209	5	,,	1-27	1 13 0	,,	
209	2	,,	1-13	7 10 0	,,	
209	4	,,	0-25	1 11 0	,,	North Rd 15. South East & west our own kkm fields. The security offered and the collateral one are of a compact block of 7 ac of land The north is engulfed by a river and head and is parrallel to the sea.
209	6	,,	0-36	2 7 0	,,	
211	10	gardens	0-75	3 0 0	,,	
205	5	,,	0-23½	1 14 0	,,	
205	12	wet	0-18½	1 2 0	,,	
205	2	garden	0-20	1 13 0	,,	
205	11	wet	0-30	3 0 0		

VALUATION OF SECURITY.

	Rs.	As.	Ps.
Net value of the Buildings:			
1. Mill, Dwelling House, Jaggery manufacturing shed with machinery	35,000	0	0
Site value ...	10,000	0	0
2. Income derived from No. and 2 offered as security Rs.401-8-0 per annum value by 6%	6,650	0	0
Collateral: Income derived from 3,4,5 Total Rs.1,291/- at the rate of 6%	21,500	0	0
Cost of site value in respect of item 4.	6,000	0	0
Total Rs.	79,130	0	0

This is the approximate valuation of the security offered. This is exlusive of goodwill and other privileges.

DESCRIPTION OF BUILDING.

THE MILL. The Mill is facing to the sea in such a way that in front the road is terminated. On both sides of the Mill we will get the road rive and the sea, an ideal Mill for improvements with full of adjoining sites for developments. The Mill is 84 ft long 45 feet braod and having a peak height of 40 ft. The Mill is built on stone, cement and concrete.

THE HOUSE: The residential house is 50 feet long 30 feet broad and having a Jaggery Preparation Shed; it is 30 feet long 20 feet broad and inside of it modern multipurposes furnace has been built at an estimated cost of Rs.1,700/- recently having 18 feet Chimney.

14. Nature and extent of the applicant's right in the concern whether co-sharer or proprietor or otherwise and his financial resources; As the Chief Executive and Attorney and 3rd son to my father in succession and as a true Heir to the estate and lastly as a Manager of the family.

Third son to my father and legal heir to the property and as the Manager of the family.

16. Nature and extent of encumbrances: on the immovable property offered as security primary or collateral :-

Rs.6,000/- on the Mill offered as security and Rs.6,000/- on the property offered as collateral security.

17. Whether any arrears: are due on the immovable property offered as security - primary or collateral and if so, the nature and extent of such arrears. There may be some arrears and I am sure it may not be more than Rs.900/- If loan is passed every clean receipts will be sent to the Office for examination.

18. Period within which and the number of instalments in which the applicant proposes to repay the loan:

Eight equal yearly instalments of Rs.3,125/- exclusive of interest.

19. Approximate additional income expected to be earned as a result of the proposed expenditure:-

Additional income expected to be earned as a result of the proposed-expenditure being Rs.5,500/-

20. If the application is from a Joint stock Company the amount of capital actually subscribed and paid up and the number of shares held by each of the Directors and their salary and fees and other perquisities should be stated:-

Proprietory Concern:

21. Any other remarks:-

The Director of Industries in particular and the Board of Industries is requested to go through my loan application with due understanding about the back ground I have annexed herein. Being just 21 of age I am not a mature man to be flawless being known about my weakness and limitation, I have ventured in applying for this loan. The relative papers may be send on due information. After receipt of information encumbrance certificate with title deeds and certified maps will be sent. I shall be sympathised for my position and further I may be given a chance to address the Industries Board personally. Excepting the deserved favour from the Government of Madras Industries Dept

DECLARATION: I, Kallianpur Devaraja Nayak, son of K. Narasimha Nayak, Chief Executive and Attorney of the above-said Mill declare that the statements made above are true to the best of my information and belief.

(K.Devaraja Nayak)
Chief Executive and Attorney)

Coondapoor
17th Jan.51.

14

DEVELOPMENT DEPTT.

Sub: ACTS AND RULES - State Aid to Industries Act - Application from Laxmi Samodar Agricultural Industries, Maddugudda, South Kanara District - for a loan of Rs 25,000/- and a Bank cash credit of Rs 10,000/ - Rejected.

Read the following:-

From the D. I & C. No. SA. 7682/50 d/ 4-4-51

G.O.MS. NO. 1145 DATED 17-4-1951

The Board of Industries having declined to recommend the application from Laxmi Samodar Agricultural Industries, Maddugudda, for State aid, the application is rejected under Section 8(5) of the Madras State Aid to Industries Act of 1922 (Madras Act V of 1923)

To the D.I & C.

Endt. X.N. Dis. No.

Governor's Secretariat,
Raj Bhavan,
Guindy

Dated : 7/3/57

27164

Transferred to the Secretary to Government, Development Department, Madras 9, for disposal. The communication has been acknowledged

The request for interview may be ignored.

(By order of H.E. the Governor)

SECRETARY TO H.E. THE GOVERNOR.

MADRAS GOVERNOR'S SECRETARIAT
5 MAR 1952

K. DEVARAJ NAYAK,
Maddugudda, Coondapoor, S.K.
(Madras State)
CAMP: C/O,
B.Balakrishna Hegde,
5, Medical Hostel, Kilpauk,
Madras.

To

His Excellency
The Governor of Madras,
Rajahbavan, Madras.

Sub:- Industrial cum-Agricultural Loan.

Ref:- My visit to your secretaryat on 4-3-52.

Your Excellency,

I had been to your Office this morning to see your Private Secretary to book for an Interview with Your Excellency. But sorry your Secretary was absent and I was taken to your secretariat and I am very glad that the Officer with whom I spoke was very kind enough to receive me. I told him the facts that led me to come to Madras to see your Excellency. He was quite patient enough to give a cordial hearing to my case and in accordance with his advice I am forwarding this printed memorandum along with this small address for your kind consideration and for immediate, prompt and favourable sanction.

The Memorandum is for a loan by way of Agricultural and Industrial development. This has been made in 1949 and during these three years nothing favourable has been materialised. This has been rejected by the Industries Board; hence this direct appeal has been made to the Government.

The aims and objects and the circumstances that led for the present state of affairs has been clearly stated in the Memorandum. So, I request your Excellency to be kind enough to go through the whole matter and direct this matter for Cabinet for immediate and prompt relief.

As you know, your Excellency, quite well that the depreciation has set in and in our case we have been lead to this state of affairs since three years and if as a matter of fact if these papers were to move about for a few months more, surely

we will have an untimely and unnatural economic coplapse. I hope Government is giving prompt relief to these small scale agricultural and industrial Units.

During the year Government has made a special development Fund, specially meant for agricultural and productive developments besides G.M.F. Fund. So, I request your Excellency to recommend my case for assistance under these funds and see the small Unit prosper.

It is my earnest desire to see your Excellency personally to emphasis my case, if you please by giving me an appointment. I know quite well that by seeing your Excellency my position will not change but you may see under what strain I have spent these five years to put my house in order without giving any consideration for my future education, in other words, the State Government nor the University has not given me any assistances in respect of granting me a seat in the Engineering College for my repeated appeals and reappeals. As Optimist I have got enough guts to get my higher education as soon as my house responsibilities are over and I hope atleast Government will accommodate me with the financial loan as I have stated and relieve me of my present position for my education.

Thanking you in anticipation, and awaiting your favourable sanction, and an appointment for Interview.

I beg to remain,
Your Excellency,
Yours faithfully,
S. Duraraj Nayak
5/3

Madras,
4th March 1952.

Copy to the Chief Minister,

Encl:- 6 copies of the printed memorandum for consideration of the cabinet.

E '33

Agricultural Cum Industries Loan.

To
The Govt. of Madras,
Ministry of AGRICULTURE AND INDUSTRIES.

From: K. Devaraj Nayak
Chief Executive and Attorney,
LAXMI DAMODAR AGRICULTURAL INDUSTRIES, Maddugudde,
Coondapoor, S. K.

Represented through: ***H. E. The Governor of Madras, Madras.***

SIR,

Sub: Govt. Loan Agricultural Cum Industries Loan for Rs. 35,000/- Govt. Appeal early Executive Sanction requesting:-

Ref: My State aid Loan Application dated 4-10-1950 L. Dis No. S. A. 7682-50 Rejection dated 1-5-51.

I am dating back my experience towards this loan since 1949, March and yet I am still going from Dept. to Dept. Tne Govt. has made eloberate arrangements for these loans but these are not within the reach of all. I am an example to it. The Industries loan was rejected on 1-5-51 after 1½ years without assigning any reasons. Still with all the courage and perseverence I have once again applied for this direct Govt. loan on higest level. I hope I will get the due hospitality to this.

The Loan is primarily for both the purposes i. e. Agricultural and Industrial Both n dependent upon one and another. If one is running the other one also will run. But uring these years the Agricultural economy has gone out of order because of the closure of this mill. Hence the loan is applied.

1. AGRICULTURE: Of our 10-55 Acres of land 4-75 acres are wet lands and he rest dry. Our yearly production is 134 muras of rice and I am going to raise it to 0 murras within the next 3 years. I am trying to dig 2 small tanks for the benefit of crop and I am trying to raise an additional of 50 murras of Rice during these ars. The Agricultural income today is 2544-5-0. In case production is it will come s. 3,750/- under present valuation.

2. INDUSTRIES: As shown in the Shedule the net income will come to Rs. 5500. ring this period I am prepared to give Govt. 2 tons of Rice i e. 52 muras of Rice or tons of Paddy Seeds for Agriculture which ever is requested.

I hope and pray that this will have good a response.

A detailed report of the worhing of the Mill since 1945 to September 1950:

The Mill was founded in the years 1945 by my father Sri K. Narasimha Nayak for the primary needs of our Agricultural enterprise. Though originally it was put on a small scale, it was expanded for the growing demands of the situation. Soon after the introduction of the rice control and the Government system of planned milling, under Government control we installed a rice mill.

For the growing demands of the oil crushing Industries an oil rotary was added in 1945. Both worked satisfactorily up to 1947. The whole work being seasonal beginning from October to April it did not give us the expected relief. The power engine was so small and it was found quite inconvenient to do both things at one time. So, we put our customers to a great inconvenience. To satisfy the customers, that being our trada tion, we purchased an 17 B. H. P. Oil engine. The engine which was driven from high-speed Diesel oil was not put to immediate use for non availability of oil in the market. we are put to a high loss.

We are the poineers in rice and oil crushing in Coondapoor and we did a yeoman service to the agriculturists. We made them self-conscious about economic conditions surrounding them and from 1945 onwards we are crushing at about 1,000 maunds of oil

from the agriculturists. So many have gained from our initiative. We have shown them the art of marketing by contacting them tothe actual consumers. In this connection our model farm has done a good amount of service to the agriculturists. Our way of pumping water tothe fields, our nursery farms, our cocoanut plantations have made so many people conscious of improvements and all additions of water pumps oil engines are but our self-induction in Coondapoor Taluk, the credit of which must fall to our share.

These are the silent achievements of our post-war reconstruction. Our next improvement goes to show the service we are rendering to the agriculturists. In 1948 a saw-bench was added to our Mill to make the work "Whole year". It did not give us the expected relief. In 1949 an additional service to the agriculturists was guaranteed by installing a sugarcane crushing machine, a system of sientific jaggery manufacture. The customers showed a keen interest and the whole year of 1948 was taken as an experimental one. The people are not machine minded and we serviced them on a cheep basis. We are the pioneers in this fieled in our taluk and our art of processing is being praised by the Superintendent of Govt. farms Coimbatore, and the Agricultural Sugarcane Demonstrator Coondapoor. For advertisement at this experimental stage we have led to face a severe loss.

CAUSES OF DETERIORATION: Several worth mentioning points made it difficult for us to run the Mill smoothly. Mismanagement stood first in the way of our smooth running of the Mill. Being strangers in the field the lackness in the management aggravated our position. People began to blackmail against us for paltry reasons because of which we could not take people into confidence and we became void of public sympathy.

The businessmen tried their level best in blackmailing our products. We did n find if possible to surmount the obstacle. This is really proved to be a hindrance to o progress. They added their edible oils with cheep oils by way of adulteration and tr to market their own products at cheaper rate. Because of the competition we are fo to wind up our business which was then at its infancy. So, the benefit of real trade deprived to us. The matter was referred to the Chambers of Commerce and lastly Collector of South Kanara, but no action has been found to be taken by them. T the period for the survival of the fittest and to overcome these obstacles Gover must come to our rescue. Finance has proved to be a bottle-neck to our enterprise and short-coming cannot be replaced by artificial means. Unless and until a long-term-l is secured it is difficult to accomplish a stable economic environment. Planned schem and work-outs are the prime necessities of the day. We are lacking in that respect. T has accelerated our deterioration in moneys. Planned schems if elaborately worked o will surely give fat dividends. The businessmen in colaboration with the local offici have tried to give us trouble as far as possible and there an a few instances where we a at the risk of losing our licence and some privileges at the hands of the local officials, b for the timely intervention of the Collector of South Kanara we are relieved. There a so many instances where we have been humiliated and have been surrendered to the loca officials for their party feelings. The businessmen have reaped a good dividend in playing their tricks. This is a legacyleft behind it after these 4 or 5 years of transition. We are at the beginning or the end of deterioration and the only thing left to us is to cling to the Government support of perish. But before being perished, I would like to put forward these facts with all the solemnity and sincerity before the Government and requesting fo a loan under these difficult period of depression to revitalise our concern. Some specia features have been affiliated and so many things are to be done primarily dependin upon this would be "favours".

SPECIAL FEATURES: The concern was started in the year 1945 when I was i the College in Mangalore. I passed my Inter of the Madras University in 1947. Durin the period because of my young age I did not take any interest in the concern. Naturally

my father took the advice of so many people which proved to be fateful in the end, mortgaged all the properties and invested the amount in the Mill. Each year was thought to be a promising one proved to be a fateful in the last. We are being led to believe the coming year to be a successful one. Hence the concern was managed and was running at a loss. In 1947 to our surprise our finances was dried and we have no other alternative. Soon after my education in 1947 I was forced to remain inside, contrary to my wish though it materialised, for I did not get a seet in the engineering College. So, I was forced to look at the affairs of the Mill although reluctantly. For the successive four years I did not get a seat in the College. Hence, concrete obstacles were placed on the way of my education and I being mature enough to look at things for myself I have come to these conclusions. But to be surprised I saw that all our properties have been mortgaged for the sake of the Mill and everything was in a fix. Being young enough I could not draw plans nor effectively manage the Mill. With an empty account I did not prove to be a good manager. In 1949 December 7, I took the power of attorney from my father and I took all the powers and became the first Chief Executive and attorney barely at the age of 21. By taking some hand loans from my sell-wishers and relatives I managed to run the Mill from 1947 to September 1950. Now I have become helpless and the state of affairs have been worsened. I have evolved an elaborate plan to reorganise the Mill on a sound footing for which I am applying for a loan to the Government. I will be sympathised for my state of affairs and I hope I will receive a sympathetic hearing in the hands of the Government. For I am placed at the mercy of the Government of Madras in these hard days of the syrvival of the fittest.

The only difficulty was the maintenance of accounts as such no provision has been made from the Balance Sheets They have not maintained any proper accounts from the beginning to the end. Therefore I am taking the officials into my co fidence before giving these facts. In my opinion preparing a balance sheet of the previous year when there was no proper accounts is nothing but impossible and defective. So, I will request yon, Sir to believe to my facts sincerely and I will assure you of my highest regards and sincerity to the Government. So, I will request you to believe me in every word of my statements lest it will prove fatal to my ambition and shorten it.

Under these circumstances, I am requesting the Government of Madras Industries Dep t., for a long-range loan of Rs. 35,000/- of 2 different natures. The one is for Rs. 25,000/- paid in 8 equal yearly instalments of Rs. 3,125/- and the other being for a Bank Cash Credit for Rs. 10,000/- for a period of 8 years at a low rate of interest. In view of our poor economic stability and poor resources, a low rate of interest will help to a great extent in consolidating our economic stability. The Bank's Cash Credit for Rs. 10,000/- will be in force for 8 years and at the end of it I am sure I am paying all my dues to the Government abiding by the restrictions imposed upon me. Sticking to any severe conditions I am prepared to undertake the loan.

THE AIMS AND OBJECTIVES: The main object of the loan is to stabilise our economic conditions and to draw out correct full-scale plans and to maximise the output and to minimise the maintenance. Every possible precaution will be taken to see that nothing is spent on new undertakings but to work out effectively on the old machinery with some alternations. Pains will be taken to see more will be done and to run the Mill on a yearly basis. All useful suggestiont will be taken from the Government or from the Statutory bodies in respect of improvments and new undertakings will be started on sound advice and lay-out plans.

Provision will be made for good accounts and effective management will be ensured Good advestaisment will be made and full facilities will be given to market the agricultural products and to foster closer relations between the Governmbnt and the agriculturists. Farming will be popularised and active advice will be given to the needy. No restrictions or discrimination will be allowed in the Mill. Possible facilities will be

given to the cottage industries and especially in the rainy reason work will be given to the cottage Industries keeping in view of our financial soundness. Pains will be taken to take people into confidence and to evolve better relations between the producers and the manufacturers and lastly I am trying to get the best education out of these profit pools and provision will be made for them.

Every year a clean budget will be drawn and all items will be considered at a par with the Government's policy subject to the confirmation of the Director of Industries. I want to make this Mill an ideal one and every year a portion of the amount will be utilised for my education and reserve fund. I am trying to work out these plans with the aid of my brothers one is younger and the other is elder, both less educated than me.

During the course of this period I am managing this Mill personally or manage it through my brothers with full day-to-day instructions from me. My future education is depending upon the materialisation of this scheme. My would be education will be Bar-at-Law or any other course I like best. I am undertaking this serious job under great strain knowing before hand my weaknesses and limitations. I am undertaking this venture to our own existence, otherwise we will have an economic breakdown and we will perish, ultimately, and will meet an unnatural death.

I am justified in expressing my sincere hopes and aims and ambitions to the Government with full of forward looking thoughts and any humiliation will be received with great agony. Because of the economic policy of the Government and consequently of of the Reserve Bank of India, no Banks are advancing loans unless through the recommendation of Government. Under these circumstances I am forwarding this loan application to the Government. So, I am requesting to expedite the matter lest we fall rapidly by financial breakdown and our business collapse. The Mill is mortgaged to the Canara Banking Corporation Udipi for Rs. 6,000/- and all the cash memos and the documents are with them. After the preliminary is over and as soon as I hear the information from you I am sending you all the required documents with the title deeds and other allied things.

Myself being a young man of 23 I should be humbly excused if I am wrong in the way of handling the matter and I may be humbly excused and further advised in the matter. The paper should be carefully gone through and any doubts if exist, I am prepared to extend to you either written or by personal address. A chance should be given to me to address the August body while in Session. I am prepared to argue my case personally and I hope I am prepared to answer all the questions put to me by the members.

So, I request you, Sir, to consider this from all perspectives and to give me a cordial hearing for my loan application. Though it has some demerits I hope the authorities will let loose me with a note of warning and allow my dreams of youth to materialise. If loan is passed the instalments will be paid to the Government at the appointed date and on no occasion any excuses will be put forward by me, Any serious conditions will be undertaken regarding the prompt payment of the instalment.

FORM OF APPLICATION FOR AID UNDER THE STATE AID TO INDUSTRIES ACT, 19 2

(Madras Act No. V of 1923.)

(For instructions for filing up the form vide appendix)

1. *Name of the applicant and his full address*:

K. DEVARAJA NAYAK,
Chief Executive and attorney,
Laxmi Damodar Agricultural Industries,
Maddugudde, Post, Coondapoor, S. Kanara.

2. *Nature of the Industrial concern for which aid is sought*:

(i) Description of the goods manufactured:
Rice, Oil, Sawing, Jaggery, Flour and Coffe:powder.

(ii) Capital invested:
Rs. 30,000/- (Thirty thousand only).
Fixed: Rs. 25,000/- (Twentyfive thousand only).
Working Capital: Rs. 5000/- (Five thousand only).

(iii) Goods manufactured:

No.	Goods manufactured	Seasonal	Production	Remorks.
1.	Rice	do	100 muras per day nearly 12,000 muras of rice per season.	Subject to availability of work these items of work can be turned out per season or per year as the case may be Generally we do not get any work nor can produce anything for lack of funds. If work is guaranteed more work can be done by maximising the production by anhancing the working hours without any harm to the machinery. This is the average capacity of production. This can be maximised by 24 per cent of the work of production, without undue troubles of risk
2.	Oil	do can be made whole year	75 tons of copra can be crushed per year.	
3.	Sawing	do	3,000 cu.ft. per year	
4.	Jaggery	Seasonal	120 tons of jaggery every year.	
5.	Flour	Seasonal	50 tons of flour every year.	
6.	Coffee-powder.	Whole year	3 tons per year.	

(iv) Balance Sheets:
No. Balance Sheet and profit and loss accounts are not possible to send. Reasons I nave given in these adjoining papers. Since these four years no business is being done. But it was worked on a hire basis. We have secured a gross profit of Rs. 2,500/- which is being fonnd impossible to maintain the Mill. The working of the Mill being a seasonal one we have to maintain workers on a yearly basis and the additional 6 months' maintenance makes us to bear a loss to the extent of Rs. 2,000/- which has been borne for the last 5 years. In the coming year business and profit is guaranted and the correct balance sheet and the profit and loss accounts will be sent to the Government audited by a certified auditor to the satisfaction of the Director of Industries.

3. The administrative, technical and executive staff existing or to be appointed with qualifications:

	Categery:	Existing:	To be appointed
(i)	Administrative	2 My father & a paid one.	One*
(ii)	Technical	2 My 2 brothers.	Nil.
(iii)	Executive	1 Myself.	Nil.

*What this denotes is appointing administrative man is such having business experience of ten years to his credit and having a noble character and good behaviour, on a salary fixed by the Government.

4. The facilities available for the development of the Industry:

and 5. The nature of the processes to be employed:

No.	Goods manufactured.	Sources of Raw Materials.	Transport facilities.	Estimated and anticipated profits.	Nature of the processes to be employed,	Market
1.	Rice.	Paddy: Local.	River & road.	Rs. 2000/-	Huller-type	Local.

2.	Oil	Copra: Local, Mangalore & Calicut.	do	Rs. 3000/-	Rotary	Local & Mysore State.
3.	Sawing	Timber: Local Forest Dept.	do	Rs. 2,000/-	Saw-bench.	Local & Mangalore.
4.	Jaggery	Sugarcane: Local.	do	Rs. 2,500/-	Cane-crusher.	Local & Porbander.
5.	Flour	Grams Local	do	Rs. 1,000/-	Grinder	Local.
6.	Coffee powder	Coffee: Mangaloredo		Bs.1,000/-	Grinder	Local.

N. B. Transport facilities as follows: Road Long distance by lorry; short distance by bullock carts. Sea and river by country-crafts. This chart is one of anticipation. We have not yet done like this but I am hopeful and guaranteeing businss if loan is passed, subject to the satisfaction of the director of industries.

6. Details of plant and machinery installed or proposed to be installed at the works:

No.	Name of the machine or manufacturer's name and address equipment and size.		Date of purchase & cost	Condition: New or second-hand
1.	Huller No. 1, 1 polisher, Pulleys with blowers & some country-made spare parts and husk-exhaust pipes.	Botibhoi & Co., Coimbatore.	6–12–47 Rs. 1,200/-	2nd hand.
2.	a) Oil rotary.maximum size.	Navagiri-Oil Rotaries, Machinery Merchants, Bombay 4.	9–3–44 Rs. 1,200/-	do
	b) Copra-cutter	Local.	3 1–48 Rs. 400/-	New
3.	All cast-iron saw-bench with 4x2-½ft plating with stands and with a new local saw-sharpener and 5 blades with all fittings.	Dandekar's, Machinery Merchants, Satara.	2–10–48 Rs. 1,000/-	New.
4.	Cane-Crusher big size with all fittings.	Burn & Co., Howrah Calcutta.	11–10–49 Rs. 1,200/-	2nd hand.
5.	Allied boiling pans with store tanks pipes and forks.	Local country-made	Nov. '49. Rs. 700/-	New.
6.	Flour Grinder with all fittings.	Dandekar's, Satara.	9–4–48 Rs. 400/-	2nd hand.
7.	Coffee Roaster with grinder.	Botlibhoi & Co., Coimbatore.	10–6–50 Rs. 125/-	2nd hand.
8.	17–19 B. H. P. with 1" water pump and all fittings	Blackston & Co., Bombay.	9–10–47 Rs. 3,400/-	2nd hand.
9.	2–½" dia. shaft of 18ft and 4, 2–½" beaeings and 3 cast iron pulleys and one 14" fast and loose pulley.	Belgian make and local.	15–1–48 Rs. 760/-	2nd hand
10.	1" piston pnmp	English make	20–9–50 Rs. 250/-	New.
11.	Spare parts water tank – 2 – 100 gals capacity with 100 ft. galvanised pipes and 60 zinc sheets, 2 paddy boiling boilors and tools and a consignment of Rs. 400/- spare parts.	Local and also Batlibhoi & Co., Coimbatore.	Rs. 1,500/-	Some new & some old.

NOTE ON MACHINERY: When we were quite new to the world of machinery our new purchases made us suffer a heavy loss. We had the notion in general that the machinery was a costly affair and there are a few instances where we have paid Rs. 100/- for foundation bolts owing to iron scarcity. The machinery was purchased at a heavy cost than the prices prevalling in the market. Being new and unable to get the machinery from the direct importers we were put to a severe loss. Nobody has given us the correct memos, only on blank papere purposly to evade income-tax and sales tax. So, I will request you, Sir to believe me in what I am saying and help us in the matter in consolidating our position. In view of my young age and the context in which I am placed will really move the Members to a considerable extent and I hope I will be treated sympathetically looking to my miserable position.

6. (b) Machinery proposed to be Installed:

1. Oil Rotary is to be installed within a short period from any well-known makers, preferably a new one at an estimated cost of Rs. 1000/- (If more paddy is given to us for milling paddy separator will be purchased at a rough cost of Rs. 1800/-.

After depending upon the business trend and the money-market a proposal has been made for a tile factory at an estimated cost of Rs. 40,000/- on a ten year basis making a provision for the amount in the yearly profits beginning from 1951 onwards. It will take shape probably in September 1953. A capital amount of Rs. 4000/- will be invested on pug-mill and stamp-press, and another loan of Rs. 10,000/- will be raised for additional maintenance and working capital subject to the confirmation of the Director of Industries.

7. (a) Estimated cost of undertaking and probable time that will be occupied in its execution. (Details of recurring and non-recurring expenditure should be furnished seperately):

(i) Estimated non-recurring expenditure:

Particulars	Already incurred	Proposed to be incurred	Total
1. Land	Rs. 6,000/-	Rs. 1,000/-	Rs. 7,000/-
2. Buildings	Rs. 10,000/-	Rs. 1,000/-	Rs. 11,000/-
3. Machinery & Equipment	Rs. 12,130/-	Rs. 1,500/-	Rs. 13,630/-
4. Installations	Rs. 3,000/-	Rs. 500/-	Rs. 3,500/-
(TOTAL)	Rs. 31,130/-	Rs. 4,000/-	Rs. 35,130/-

Note: For mere repairs and for an engine room we have spent Rs. 10,000/-. The actual cost of the mill and the house now costs about Rs. 30,000/- according to present conditions.

7. (b) Estimated recuring expenditure per annum after the additions proposed above have been made:

1. Raw Materials and Stores			Rs. 1,000 0 0
2. Power and Fuel			Rs. 2,000 0 0
3. Labour			Rs. 3,000 0 0
4. Overheads			
Rent for Building	Rs. 100 0 0		
Expenses for management	Rs. 2000 0 0		
Advertisement	Rs. 200 0 0		
Interest on loans	Rs. 1500 0 0		
Depreciation	Rs. 1500 0 0		Rs. 5,300 0 0
		TOTAL	Rs. 11,800 0 0

Note: In case of unforseen circumstances we are prepared to forego the management expediture and first provision will be made for the debts and instalments owed to the Government.

8. Aproximate number of operativse employed or to be employed:
Already employed: 3 men, to be employed 1.

9. Estimated net expenditure per annum in running the works:

Present expenditure:	Rs. 6,000/.
After loan is passed:	Rs. 11,800/-

10. Estimated net profits according:

Proforma Profit & Loss Accoout

	Income	Rs	As	Ps	Expenditure	Rs	As	Ps
1.	Rice Hulling wages	2,000	0	0	Raw materials	1,000	0	0
2.	Cocoanut Oil	7,000	0	0	Power aud Fuel	2,000	0	0
3.	Jaggery (wages)	2,500	0	0	Labour	3,500	0	0
4.	Sawing	2,000	0	0	Rent	100	0	0
5.	Flour	1,000	0	0	Management	2,000	0	0
6.	Coffee Powder	1,000	0	0	Interest on loans	1,500	0	0
7.	By hirect business & on comm.	2,000	0	0	Depreciation	1,500	0	0
					Advertisment	200	0	0
					Sundries	200	0	0
		17,500	0	0		12,000	0	0

showing a net profit of Rs. 5,500/-. Less first instalment 3,125, rupees 1,375 nett. If business is done carefully in the open market I am sure a get profit of 4% can be guaranteed on the total turnover of business.

11. Reasons why the business cannot be financed without State assistance:

If the loan for Rs. 25,000/- is passed the amount may be utilised as follows:

1.	Discharging the existing liabilities on land given as collateral security.	Rs. 6000	0	0
2.	Discharging the Bank's liability on the Mill given as security.	Rs. 6,000	0	0
3.	discharge personal liability i. e., pronotes aod personal loans.	Rs. 11,000	0	0
4.	To pay off any arrears in suspense, if any	Rs. 1,000	0	0
5.	In respect of purchasing the propesed machinery and its installations.	Rs. 1,000	0	0
		Rs. 25,000	0	0

Another Rs. 10,000/- secured by way of Bank Cash Credit will be utilised for business as working capital.

12. Nature extent of State aid applied for:

The particular clause of section 6 nnder which theaid is applied for should be stāted. Sec. 6. "a" and "b" i. e.

A long term lon of Rs. 25,000/- and a Bank Cash Credit for Rs. 10,000/- as working Capital for the duration by 8 years. The amount of Rs. 25,000/- will be given by 8 yearly enstalments of Rs. 3,125/- execlusive of interest. The loan should be on cheep rate of interest and the liability will be discharged by 8 years. During this period of 8 years we should be given a Bank Cash Credit for Rs. 10,000/- in force for 8 years and after that period we are going to discharge the liability of both the Government and the Bank.

13. Discription of the property and the Mill offered as Security Plot No. 1 Mill. No. 2 to No. 11 Property enjoying all the Rights Self Cultivator- old Mulgeni.

Plot No.	S. No	Kisam	Extent	Assesment	Cocoanuts	Cash in Rs.	Rice	Rent payable to the land-lord by cash rice.	Net Rs.
I	208 1	Garden	0 69	4 2 0	1000	Nil.	5 muras	Rs. 12-0-0	208-0-0
	208 3	,,	0 10	0 11 0					
II	212 6	Dry	0 76	3 13 0				No land-lord	
	212 7	Wet	0 16	0 8 0	Nil.	10-6-0	20 muras	Assesment paying	
	212 11	Dry	0 18	0 4 0				4-9-0	286-0-0
III	209 3	Wet	2 69	18 5 0					
	209 5	,,	0 27	1 13 0					
	209 2	,,	1 13	7 10 0	1000	Nil.	72 muras	12 muras and Rs. 12/-	978 0 0
	209 4	,,	0 25	1 11 0					
	209 6	,,	0 36	2 7 0					
IV	211 10	Garden	0 75	3 0 0	Nil.	Nil.	6 muras	7-0-0	77 0 0
V	205 5	,,	0 23½	1 14 0					
	205 12	Wet	0 18½	1 2 0	500	Nil.	10 muras	22-12-0	192 4 0
	205 2	Garden	0 20	1 13 0					
	205 11	Wet	0 30	0 3 0					
VI	207 1	Garden	0 25	2 0 0					
	207 2	Wet	0 35	2 6 0	2000	Nil.	5 muras	21-5-0	353 11 0
	208 9	Garden	0 23	1 9 0					
VII	209 7	Wet	0 40	2 6 0	Nil.	Nil.	6 muras	7-0-0	77 0 0
	209 8	Wet	0 10	0 9 3					
VIII	212 8	Garden	0 21	1 4 0	1000	Nil.	Nil.	1-4 0	148 12 0
IX	212 9	Dry	0 33	0 5 0					
	212 12	Dry	0 16	0 3 0	Nil.	Nil.	10 muras	4 muras	84 0 0
X	211 6	Garden	0 18	1 8 0	Nil.	48-0-0	Nil.	4-12-0	43 4 0
IX	211 4	Garden	0 58	4 10 0	1000	Nil.	Nil.	4-10-0	145 6 0
	Total		10 55	68 12 0	6500	58-6-0	134 muras	16 muras & 57-4-0 by cash	2544 5 0

Net Income Rs. 2544-5-0

Plots No. 1, 2, 8 and 11 all Patta properties and the Rest old Moolgeni properties enjoying all the Rights. Self cultivaters. All properties under self Control and self acquisition.

PROPERTY INCOME.

Our Income: 6500 cocoanuts 134 muras of Rice and Rs. 58-6-0 by cash valuation is made by current Rate as 14 Rs. for 1 mura of Rice and Rs. 20 for 100 cocoanuts. Valuation made as Rs. 15 per 100. making our allowance of Rs. 5 towards depreciation and about Rile there will be no reduction of rate for the next 5 years. It coms to. Rs. 2544-0-0.

The rent we have to pay to the land lord: 16 muras of Rice and 57-4-0 by cash valued about 281-4-0. Actual Assesment to be paid by the land lord 68-12-0 The net profit land lord is accuring Rs. 212-8-0. If valued at 6% the right of his ownership costs Rs. 3500/- which is quit difficult to purchase now as he is not willing to give.

Note 1. The Income is shown as 134 muras of Rice net and Rs. 58-10-6 and 6500 cocoanuts. We have got two other crops of Black gram, horse gram and green gram which will fetch us 60 muras. It is quite sufficients for our maintenance and working cost and labour. Most of the work is done by us. Yearly we are selling about 350 Rs. worth of strow to the Public which is quite enough to meet the seasonal labour.

Note 2: The amount we pay to tne land lord is 16 muras of Rice and 57-4-0. The land lord is Sri Nagar Vaman Rao who is a big Zamindar. We are his old land holders having a standing of 13 years. He is unwilling to our request for autright sale of his rights to us from repeatcd requests. If pressed he says as the rate of 3% return which is quite high at the market rate. It is the declared policy of the Govt. that they are doing all the favourable legislations to the beterment of the Agriculturists. So we are not purchasing his rights.

Note 3: Tne properties I am mentioning is situated in such a position, wherein river is surounding it. It has road passing through it. The shipping dock is qute another side of the river only 3 Furlongs from our dock. It is is considered to be an ideal place for heavy Industries with all the Modern facilitibs i. e., labour water, Road, Sea and River and lastly ample space for improvements and extentions, compact block of 10 acres and 55 cents wherein we have our Mill, House, and farms.

VALUATION OF SECURITY.

Net value of the buildings:

1. Mill, DWElling house, Jaggery manufacturing shed with machinery	Rs.	35,000	0	0
Site Value es Mill and plot XI and IV	Rs.	20,000	0	0
2. Income herived from No. 1 to 11 offered as security Rs. 2,331-13-0 per annum valution by 6%	Rs.	38,875	0	0
(Note 3) Cost of site value in respect of item 4 1 to 11	Rs.	6,000	0	0
TOTAL.	Rs.	99,875	0	0

This is the approximate valuation of the security offered. This is exclusive of goodwill and other previlages.

The Mill: The mill is facing to the sea in such a way that in front the road is terminated. On both sides of the Mill we will get the road river and the sea, an ideal mill for improvements with full of adjoining sites for developments. The Mill is 84 ft long 45 ft broad and having a peak height of 40 ft. The Mill is built on stone, cement and conerete.

House: The residential house is 50 ft long 30 ft broad and having a Jaggery preparation Shed: It is 30 ft long 20 ft braod and inside of it modern multipurposes furnace has been built at an estimated cost of Rs. 1700/- recently having 18 ft Chimney.

DESCRIPTION OF BUILDING

14. Nature and extent of applicant's right in the concern whether as co-sharer or proprietor or otherwise and his finencial resources: As the Chief Executive and Attorney and 3rd son to my father in succession and as a trve heir to the estate and lastly as a manager of the family.

15. Nature and extent of the applicant's right to the property offered as security: Third son to my father and legal heir to the property and as the manager of the family.

16. Nature and extent of encumbrances on the immovable property offered as security primary or collaternal:

Rupees 6,000/- on the mill offered as security and Rs. 6,000/- on the property as collateral security.

17. Whether any arrears are due on the immoveable property offered as security primary or collateral and if so, the nature and extent of such arears: There may be some arrears, and I am sure it may not be more than Rs. 900/-. If loan is passed every clean receipts will be sent to the office for examintion.

18. Period within which and the number of instalments in which the applicant proposes to repay the loan:

Eight equal yearly instalments of Rs. 3125/- exclusive of interest.

19. Approximate additional net income expected to be earned as a result of the proposed expenditure:

Additional in-come expected to be earned as a result of the proposed experditure being Rs. 5,500/-.

20. If the application is from a Joint Stock Company the amount of capital actually subscribed and paid up and the number of shares held by each of the Directors and their salary and fees and other perquisites should be stated: Proprietory concern.

21. Any other remarks:

The Govt. of Madras in particular and all the Depts. are requested to go through my loan application with due understanding about the background I have annexed herein. Being Just 23 of age I am not a mature man to be flawless being known about my weaknesses and limitations I have ventured in applying for this loan. The relative papers may be sent on due information. After receipt of information encumbrances certi-cate with title deeds and certificates may be sent. I shall be sympathised for my position and further I may be given a chanc to address the Ministers personally. Expecting the deserved favour from the Government of Madras Industries Dept & Agricultural Dept.

DECLARATION: I, Kallianpur Devaraja Nayak son of K. Narasimha Nayak Chief Executive and Attorney of the abovesaid Mill declare that the statements made above are true to the best of my information and belief.

K. Devaraj Nayak

COONDAPOOR. }
20-2-52. }

(Sd.) ***K Devaraj Nayak,***
Chief Excutive and Attorney.

Copy to

1. The Governer of Madras, H. H. the Maharaja of Bhavanagar or Honble Sri Prakash
2. All Cabinet Ministers of the present care taker Govt.
3. The Director of Industries and Agriculture.
4. The Board of Revenue, Commissioner of civil supplies Food Prejuduction.
5. The state Planning Commission.
6. District Collector, Revenue Divisional officer Mangalore and Coondapoor.
7. Secretary, Devolopment Dept, Industries Dept, Economic Adviser, Finance Secretary, Agricultural Secretary, Food Secretary.

167/2713.

24 43

Dev. Dept. DII

Memo No. 27164 DII/52. 1 dt/ 21-3-1952

Sub: State Aid to Industries - Laxmi Damodhar Agricultural Industries, Maddugudde - Application for a loan Rs. 25,000/- and a Bank Cash Credit of Rs. 10,000/-, Rejected - Request for reconsideration.

Ref: From Sri K. Devaraj Nayak, Chief Executive and Attorney, Laxmi Damodhar Agricultural Industries Maddugudde, petition d/ 4-3-1952 addressed to H. E. the Governor of Madras.

Sri K. Devaraj Nayak is informed that his application for a loan of Rs. 25,000/- and a Bank Cash Credit of Rs. 10,000/- was rejected by Govt. as the Board of Industries recommended the rejection of the application on the ground

P.T.O.

Ref 44.

that the industries run by the applicant are old and established and that no special reasons could be adduced for the grant of the aid. He may therefore apply again to the DIC & C, ~~for the grant of the State aid~~ adducing special reasons for any State aid for the grant of ~~such~~ aid.

Order "K Selvaraj" p 2 n 6.

Posted 19.3.52 dt 21/3/52

2352

To 25.3.52

Compd 24/3

Sri K. Devaraj Nayak
Chief Executive and
Attorney, Laxmi
Damodhar Agriculture
Industries
Maddugaddde,
Coondapoor,
South Kanara

Copy to the DIC

45

338/1 D&I/52
3.52

Laxmi Damodar Agricultural Industries.

Estd: 1945.

Maddugudda, COONDAPOOR, S. K. S. India.

Rice Mills, Oil Mills, Saw Mills, Flour Mills, & Jaggery Manufacturers.

M.R.M.L. 6/48.

H. Devaraj Nayak.
Chief Executive & Attorney.

THIRD ASST. SECRETARY TO GOVERNMENT
24 MAR 1952
DEVELOPMENT DEPARTMENT

Temporary Address:
P.B NO. 1848.
Madras.

SECRETARY TO GOVERNMENT
25 MAR 1952
DEVELOPMENT DEPARTMENT

COONDAPOOR,
Date 24.3.52.

To
The Secretary,
Development Dept.
: Madras.

Sub: My Agricultural cum Industries Loan -
for the information about the matter requesting -

Sir,

I beg to state Sir, that I have not yet received any information about my said loan although I forwarded it to the Govt. on 5th Wednesday. Because of our fluid state, I had come to Madras and until the completion of my work I am bound to stay here, no matter the duration it takes. I am completely placed at the mercy of the Govt I am at a loss as to what I should & should not do.

Any favourable informations or suggestions of the said matter at this moment is quite appreciated and I further beg to state to expediate the matter, so that I can hear the sanction within a short time.

Awaiting your sanction.

Thanking you in anticipation.

I beg to remain Sir,
Yours faithfully
K. Devaraj Nayak
24/3.

24.3.52
Madras
P.B NO. 1848

Written under authority as the Chief Executive and Attorney. Exclusively for Governmental correspondences only. Papers signed by me only are genuine to guard against misuse of office papers and seal.

111/28/3.

47

Dev. Dept. I

Memo No. 33871/D II/52-1 d/ 28-3-1952

Issued on 28.3.52

Sub: State Aid to Industries - Laxmi Damodhar Agricultural Industries, Maddugudda - Request for the grant of a loan - Regarding.

Ref: From Sri K. Devaraj Nayak, Chief Executive and Attorney, Laxmi Damodar Agricultural Industries, letter No. M.R.M.L. 6/48 d/24.3.52.

With reference to the letter cited, the attention of Sri K. Devaraj Nayak, Chief Executive and Attorney, Laxmi Damodhar Agricultural Industries, Maddugudda, is invited to Govt. Memo No. 27164/D II/52-1, Dev. Dept. d/21-3-1952 (copy enclosed).

Sri K. Devaraj Nayak, Chief Executive and

PTO

26

It is submitted that orders have already been issued on his previous application - vide the Memo at pp 43-44 ct (Q). As the applicant is now in Madras, a copy of the Memo may be sent to him. Subject to orders, the draft Memo submitted overleaf is for approval.

27.3.92

27/3/92

To

The Minister for Industries
Govt. of Madras
Fort St. George

From the Secretary to Government
Development Department

Sir,

I am directed to forward herewith a copy of the application and recommendation received from the Director of Industries and Commerce in his letter Ref. Industries Board meeting on 27.4.52 and to request that the case may be placed before the Industries Board for consideration at its next meeting.

At least the same applicant had applied for a loan under the Industries Aid Rules for loan under the Industries Aid Rules which was rejected. If he wishes to appear before the Board, he may come in to office with a team of best principles

In this connection I beg to state that the old application will be put up to the Board as it is my duty to the minister to go into the details of the application which I have enclosed herewith for your perusal.

I have a letter to the Station Director. I didn't get an engineering [illegible] 5 years [illegible] away. The loan is the only hope for any Extension. I will [illegible] I beg you Sir, to see & do my case in the Board placed at the mercy of the Govt. and the Board so please be good enough to recommend my case to the Director of Industries. I remain if the Board to recommend my case favourably. Thanking you in anticipation.

Yours faithfully

Madras 2
12.6.52

K. [illegible]

Dev(Dé) Dept.

U.S.

The letter from Sri K. Devaraj may be perused on p.1 above. It does not appear proper to recommend to the Board of Industries the grant of the loan to the applicant. Action may be taken as above and the application or loan along with the recommendation of the Board of Industries is received. No action seems called for. May be lodged and added to the G.O. & D.V.

GoMS 1765, Dev
17-4-51

17/6/51

Agricultural Cum Industries Loan.

To

The Govt. of Madras,
Ministry of AGRICULTURE AND INDUSTRIES.

From: **K. Devaraj Nayak**
Chief Executive and Attorney,
LAXMI DAMODAR AGRICULTURAL INDUSTRIES, Maddugudde,
Coondapoor, S. K.

Represented through: ***H. E. The Governor of Madras, Madras.***

SIR,

Sub: Govt. Loan Agricultural Cum Industries Loan for Rs. 35,000/- Govt. Appeal early Executive Sanction requesting:-

Ref: My State aid Loan Application dated 4-10-1950 L. Dis No. S. A. 7682-50 Rejection dated 1-5-51.

I am dating back my experience towards this loan since 1949, March and yet I am still going from Dept. to Dept. Tne Govt. has made eloberate arrangements for these loans but these are not within the reach of all. I am an example to it. The Industries loan was rejected on 1-5-51 after 1½ years without assigning any reasons. Still with all the courage and perseverence I have once again applied for this direct Govt. loan on higest level. I hope I will get the due hospitality to this.

The Loan is primarily for both the purposes i. e. Agricultural and Industrial Both an de dent upon one and another. If one is running the other one also will run. But durin ese years the Agricultural economy has gone out of order because of the closure of th ill. Hence the loan is applied.

1. AGRICULTURE: Of our 10-55 Acres of land 4-75 acres are wet lands and the rest dry. Our yearly production is 134 muras of rice and I am going to raise it to 200 murras within the next 3 years. I am trying to dig 2 small tanks for the benefit of 2n crop and I am trying to raise an additional of 50 murras of Rice during these 3 ye . The Agricultural income today is 2544-5-0. In case production is it will come to Rs. ,750/- under present valuation.

2. INDUSTRIES: As shown in the Shedule the net income will come to Rs. 5500. During this period I am prepared to give Govt. 2 tons of Rice i e. 52 muras of Rice or 2 tons of Paddy Seeds for Agriculture which ever is requested.

I hope and pray that this will have good a response.

A detailed report of the worhing of the Mill since 1945 to Septe ber 1950:

The Mill was founded in the years 1945 by my father Sri K. Na asimha Nayak for the primary needs of our Agricultural enterprise. Though originally it was put on a small scale, it was expanded for the growing demands of the situation. Soon after the introduction of the rice control and the Government system of planned milling, under Government control we installed a rice mill.

For the growing demands of the oil crushing Industries an oil rotary was added in 1945. Both worked satisfactorily up to 1947. The whole work being seasonal beginning from October to April it did not give us the expected relief. The power engine was so small and it was found quite inconvenient to do both things at one time. So, we put our customers to a great inconvenience. To satisfy the customers, that being our trada tion, we purchased an 17 B. H. P. Oil engine. The engine which was driven from high-speed Diesel oil was not put to immediate use for non availability of oil in the market. we are put to a high loss.

We are the poineers in rice and oil crushing in Coondapoor and we did a yeoman service to the agriculturists. We made them self-conscious about economic conditions surrounding them and from 1945 onwards we are crushing at about 1,000 maunds of oil

from the agriculturists. So many have gained from our initiative. We have shown them the art of marketing by contacting them tothe actual consumers. In this connection our model farm has done a good amount of service to the agriculturists. Our way of pumping water tothe fields, our nursery farms, our cocoanut plantations have made so many people conscious of improvements and all additions of water pumps oil engines are but our self-induction in Coondapoor Taluk, the credit of which must fall to our share.

These are the silent achievements of our post-war reconstruction. Our next improvement goes to show the service we are rendering to the agriculturists. In 1948 a saw-bench was added to our Mill to make the work "Whole year". It did not give us the expected relief. In 1949 an additional service to the agriculturists was guaranteed by installing a sugarcane crushing machine, a system of sientific jaggery manufacture. The customers showed a keen interest and the whole year of 1948 was taken as an experimental one. The people are not machine minded and we serviced them on a cheep basis. We are the pioneers in this fieled in our taluk and our art of processing is being praised by the Superintendent of Govt. farms Coimbatore, and the Agricultural Sugarcane Demonstrator Coondapoor. For advertisement at this experimental stage we have led to face a severe loss.

CAUSES OF DETERIORATION: Several worth mentioning points made it difficult for us to run the Mill smoothly. Mismanagement stood first in the way of our smooth running of the Mill. Being strangers in the field the lackness in the management aggravated our position. People began to blackmail against us for paltry reasons because of which we could not take people into confidence and we became void of public sympathy.

The businessmen tried their level best in blackmailing our products. We did not find if possible to surmount the obstacle. This is really proved to be a hindrance to our progress. They added their edible oils with cheep oils by way of adulteration and tried to market their own products at cheaper rate. Because of the competition we are forced to wind up our business which was then at its infancy. So, the benefit of real trade was deprived to us. The matter was referred to the Chambers of Commerce and lastly to the Collector of South Kanara, but no action has been found to be taken by them. This is the period for the survival of the fittest and to overcome these obstacles Government must come to our rescue. Finance has proved to be a bottle-neck to our enterprise and this short-coming cannot be replaced by artificial means. Unless and until a long-term-loan is secured it is difficult to accomplish a stable economic environment. Planned schemes and work-outs are the prime necessities of the day. We are lacking in that respect. This has accelerated our deterioration in moneys. Planned schems if elaborately worked out will surely give fat dividends. The businessmen in colaboration with the local officials have tried to give us trouble as far as possible and there an a few instances where we are at the risk of losing our licence and some privileges at the hands of the local officials, but for the timely intervention of the Collector of South Kanara we are relieved. There are so many instances where we have been humiliated and have been surrendered to the local officials for their party feelings. The businessmen have reaped a good dividend in playing their tricks. This is a legacyleft behind it after these 4 or 5 years of transition. We are at the beginning or the end of deterioration and the only thing left to us is to cling to the Government support of perish. But before being perished, I would like to put forward these facts with all the solemnity and sincerity before the Government and requesting for a loan under these difficult period of depression to revitalise our concern. Some special features have been affiliated and so many things are to be done primarily depending upon this would be "favours".

SPECIAL FEATURES: The concern was started in the year 1945 when I was in the College in Mangalore. I passed my Inter of the Madras University in 1947. During the period because of my young age I did not take any interest in the concern. Naturally

my father took the advice of so many people which proved to be fateful in the end, mortgaged all the properties and invested the amount in the Mill. Each year was thought to be a promising one proved to be a fateful in the last. We are being led to believe the coming year to be a successful one. Hence the concern was managed and was running at a loss. In 1947 to our surprise our finances was dried and we have no other alternative. Soon after my education in 1947 I was forced to remain inside, contrary to my wish though it materialised, for I did not get a seet in the engineering College. So, I was forced to look at the affairs of the Mill although reluctantly. For the successive four years I did not get a seat in the College. Hence, concrete obstacles were placed on the way of my education and I being mature enough to look at things for myself I have come to these conclusions. But to be surprised I saw that all our properties have been mortgaged for the sake of the Mill and everything was in a fix. Being young enough I could not draw plans nor effectively manage the Mill. With an empty account I did not prove to be a good manager. In 1949 December 7, I took the power of attorney from my father and I took all the powers and became the first Chief Executive and attorney barely at the age of 21. By taking some hand loans from my sell-wishers and relatives I managed to run the Mill from 1947 to September 1950. Now I have become helpless and the state of affairs have been worsened. I have evolved an elaborate plan to reorganise the Mill on a sound footing for which I am applying for a loan to the Government. I will be sympathised for my state of affairs and I hope I will receive a sympathetic hearing in the hands of the Government. For I am placed at the mercy of the Government of Madras in these hard days of the syrvival of the fittest.

The only difficulty was the maintenance of accounts as such no provision has been made from the Balance Sheets They have not maintained any proper accounts from the beginning to the end. Therefore I am taking the officials into my confidence before giving these facts. In my opinion preparing a balance sheet of the previous year when there was no proper accounts is nothing but impossible and defective. So, I will request yon, Sir to believe to my facts sincerely and I will assure you of my highest regards and sincerity to the Government. So, I will request you to believe me in every word of my statements lest it will prove fatal to my ambition and shorten it.

Under these circumstances, I am requesting the Government of Madras Industries Dept., for a long-range loan of Rs. 35,000/- of 2 different natures. The one is for Rs. 25,000/- paid in 8 equal yearly instalments of Rs. 3,125/- and the other being for a Bank Cash Credit for Rs. 10,000/- for a period of 8 years at a low rate of interest. In view of our poor economic stability and poor resources, a low rate of interest will help to a great extent in consolidating our economic stability. The Bank's Cash Credit for Rs. 10,000/- will be in force for 8 years and at the end of it I am sure I am paying all my dues to the Government abiding by the restrictions imposed upon me. Sticking to any severe conditions I am prepared to undertake the loan.

THE AIMS AND OBJECTIVES: The main object of the loan, is to stabilise our economic conditions and to draw out correct full-scale plans and to maximise the output and to minimise the maintenance. Every possible precaution will be taken to see that nothing is spent on new undertakings but to work out effectively on the old machinery with some alternations. Pains will be taken to see more will be done and to run the Mill on a yearly basis. All useful suggestiont will be taken from the Government or from the Statutory bodies in respect of improvments and new undertakings will be started on sound advice and lay-out plans.

Provision will be made for good accounts and effective management will be ensured Good advestaisment will be made and full facilities will be given to market the agricultural products and to foster closer relations between the Governmbnt and the agriculturists. Farming will be popularised and active advice will be given to the needy. No restrictions or discrimination will be allowed in the Mill. Possible facilities will be

given to the cottage industries and especially in the rainy reason work will be given to the cottage Industries keeping in view of our financial soundness. Pains will be taken to take people into confidence and to evolve better relations between the producers and the manufacturers and lastly I am trying to get the best education out of these profit pools and provision will be made for them.

Every year a clean budget will be drawn and all items will be considered at a par with the Government's policy subject to the confirmation of the Director of Industries. I want to make this Mill an ideal one and every year a portion of the amount will be utilised for my education and reserve fund. I am trying to work out these plans with the aid of my brothers one is younger and the other is elder, both less educated than me.

During the course of this period I am managing this Mill personally or manage it through my brothers with full day-to-day instructions from me. My future education is depending upon the materialisation of this scheme. My would be education will be Bar-at-Law or any other course I like best. I am undertaking this serious job under great strain knowing before hand my weaknesses and limitations. I am undertaking this venture to our own existence, otherwise we will have an economic breakdown and we will perish, ultimately, and will meet an unnatural death.

I am justified in expressing my sincere hopes and aims and ambitions to the Government with full of forward looking thoughts and any humiliation will be received with great agony. Because of the economic policy of the Covernment and consequently of of the Reserve Bank of India, no Banks are advancing loans unless through the recommendation of Government. Under these circumstances I am forwarding this loan application to the Government. So, I am requesting to expedite the matter lest we fall rapidly by financial breakdown and our business collapse. The Mill is mortgaged to the Canara Banking Corporation Udipi for Rs. 6,000/- and all the cash memos and the documents are with them. After the preliminary is over and as soon as I hear the information from you I am sending you all the required documents with the title deeds and other allied things.

Myself being a young man of 23 I should be humbly excused if I am wrong in the way of handling the matter and I may be humbly excused and further advised in the matter. The paper should be carefully gone through and any doubts if exist, I am prepared to extend to you either written or by personal address. A chance should be given to me to address the August body while in Session. I am prepared to argue my case personally and I hope I am prepared to answer all the questions put to me by the members.

So, I request you, Sir, to consider this from all perspectives and to give me a cordial hearing for my loan application. Though it has some demerits I hope the authorities will let loose me with a note of warning and allow my dreams of youth to materialise. If loan is passed the instalments will be paid to the Government at the appointed date and on no occasion any excuses will be put forward by me, Any serious conditions will be undertaken regarding the prompt payment of the instalment.

FORM OF APPLICATION FOR AID UNDER THE STATE AID TO INDUSTRIES ACT, 19 2

(Madras Act No. V of 1923.)

(For instructions for filing up the form vide appendix)

1. *Name of the applicant and his full address*:

K. DEVARAJA NAYAK,
Chief Executive and attorney,
Laxmi Damodar Agricultural Industries,
Maddugudde, Post, Coondapoor, S. Kanara.

2. *Nature of the Industrial concern for which aid is sought*:

(i) Description of the goods manufactured:
Rice, Oil, Sawing, Jaggery, Flour and Coffe:powder.

Eight equal yearly instalments of Rs. 3125/- exclusive of interest.

19. Approximate additional net income expected to be earned as a result of the proposed expenditure:

Additional in-come expected to be earned as a result of the proposed experditure being Rs. 5,500/-.

20. If the application is from a Joint Stock Company the amount of capital actually subscribed and paid up and the number of shares held by each of the Directors and their salary and fees and other perquisites should be stated: Proprietory concern.

21. Any other remarks:

The Govt. of Madras in particular and all the Depts. are requested to go through my loan application with due understanding about the background I have annexed herein. Being Just 23 of age I am not a mature man to be flawless being known about my weaknesses and limitations I have ventured in applying for this loan. The relative papers may be sent on due information. After receipt of information encumbrances certicate with title deeds and certificates may be sent. I shall be sympathised for my position and further I may be given a chanc to address the Ministers personally. Expecting the deserved favour from the Government of Madras Industries Dept & Agricultural Dept.

DECLARATION: I, Kallianpur Devaraja Nayak son of K. Narasimha Nayak Chief Executive and Attorney of the abovesaid Mill declare that the statements made above are true to the best of my information and belief.

COONDAPOOR.
20-2-52.

(Sd.) ***K Devaraj Nayak,***
Chief Excutive and Attorney.

Copy to

1. The Governer of Madras; H. H. the Maharaja of Bhavanagar or Honble Sri Prakash
2. All Cabinet Ministers of the present care taker Govt.
3. The Director of Industries and Agriculture.
4. The Board of Revenue, Commissioner of civil supplies Food Prejuduction.
5. The state Planning Commission.
6. District Collector, Revenue Divisional officer Mangalore and Coondapoor.
7. Secretary, Devolopment Dept, Industries Dept, Economic Adviser, Finance Secretary, Agricultural Secretary, Food Secretary.

(ii) Capital invested:
Rs. 30,000/- (Thirty thousand only).
Fixed: Rs. 25,000/- (Twentyfive thousand only).
Working Capital: Rs. 5000/- (Five thousand only).

(iii) Goods manufactured:

No.	Goods manufactured	Seasonal	Production	Remorks.
1.	Rice	do	100 muras per day nearly 12,000 muras of rice per season.	Subject to availability of work these items of work can be turned out per season or per year as the case may be Generally we do not get any work nor can produce anything for lack of funds. If work is guaranteed more work can be done by maximising the production by anhancing the working hours without any harm to the machinery. This is the average capacity of production. This can be maximised by 24 per cent of the work of production, without undue troubles of risk
2.	Oil	do can be made whole year	75 tons of copra can be crushed per year.	
3.	Sawing	do	3,000 cu.ft. per year	
4.	Jaggery	Seasonal	120 tons of jaggery every year.	
5.	Flour	Seasonal	50 tons of flour every year.	
6.	Coffee-powder.	Whole year	3 tons per year.	

(iv) Balance Sheets:
No. Balance Sheet and profit and loss accounts are not possible to send. Reasons I have given in these adjoining papers. Since these four years no business is being done. But it was worked on a hire basis. We have secured a gross profit of Rs. 2,500/- which is being fonnd impossible to maintain the Mill. The working of the Mill being a seasonal one we have to maintain workers on a yearly basis and the additional 6 months' maintenance makes us to bear a loss to the extent of Rs. 2,000/- which has been borne for the last 5 years. In the coming year business and profit is guaranted and the correct balance sheet and the profit and loss accounts will be sent to the Government audited by a certified auditor to the satisfaction of the Director of Industries.

3. The administrative, technical and executive staff existing or to be appointed with qualifications:

	Category:	Existing:	To be appointed
(i)	Administrative	2 My father & a paid one.	One*
(ii)	Technical	2 My 2 brothers.	Nil.
(iii)	Executive	1 Myself.	Nil.

*What this denotes is appointing administrative man is such having business experience of ten years to his credit and having a noble character and good behaviour, on a salary fixed by the Government.

4. The facilities available for the development of the Industry:
and 5. The nature of the processes to be employed:

No.	Goods manufactured.	Sources of Raw Materials.	Transport facilities.	Estimated and anticipated profits.	Nature of the processes to be employed,	Market
1.	Rice.	Paddy: Local.	River & road.	Rs. 2000/-	Huller-type	Local.

2.	Oil	Copra: Local, Mangalore & Calicut.	do	Rs. 3000/-	Rotary	Local & Mysore State.
3.	Sawing	Timber: Local Forest Dept.	do	Rs. 2,000/-	Saw-bench.	Local & Mangalore.
4.	Jaggery	Sugarcane: Local.	do	Rs. 2,500/-	Cane-crusher.	Local & Porbander.
5.	Flour	Grams Local	do	Rs. 1,000/-	Grinder	Local.
6.	Coffee powder	Coffee: Mangalore	do	Bs.1,000/-	Grinder	Local.

N. B. Transport facilities as follows: Road Long distance by lorry; short distance by bullock carts. Sea and river by country-crafts. This chart is one of anticipation. We have not yet done like this but I am hopeful and guaranteeing businss if loan is passed, subject to the satisfaction of the director of industries.

6. Details of plant and machinery installed or proposed to be installed at the works:

No.	Name of the machine or manufacturer's name and address equipment and size.		Date of purchase & cost	Condition: New or second-hand
1.	Huller No. 1, 1 polisher, Pulleys with blowers & some country-made spare parts and husk-exhaust pipes.	Botibhoi & Co., Coimbatore.	6-12-47 Rs. 1,200/-	2nd hand.
2.	a) Oil rotary.maximum size.	Navagiri-Oil Rotaries, Machinery Merchants, Bombay 4.	9-3-44 Rs. 1,200/-	do
	b) Copra-cutter	Local.	3 1-48 Rs. 400/-	New
3.	All cast-iron saw-bench with 4x2-½ft plating with stands and with a new local saw-sharpener and 5 blades with all fittings.	Dandekar's, Machinery Merchants, Satara.	2-10-48 Rs. 1,000/-	New.
4.	Cane-Crusher big size with all fittings.	Burn & Co., Howrah Calcutta.	11-10-49 Rs. 1,200/-	2nd hand.
5.	Allied boiling pans with store tanks pipes and forks.	Local country-made	Nov. '49. Rs. 700/-	New.
6.	Flour Grinder with all fittings.	Dandekar's, Satara.	9-4-48 Rs. 400/-	2nd hand.
7.	Coffee Roaster with grinder.	Botlibhoi & Co., Coimbatore.	10-6-50 Rs. 125/-	2nd hand.
	17-19 B. H. P. with 1" water pump and all fittings	Blackston & Co., Bombay.	9-10-47 Rs. 3,400/-	2nd hand.
9.	2-½" dia. shaft of 18ft and 4, 2-½" beaeings and 3 cast iron pulleys and one 14" fast and loose pulley.	Belgian make and local.	15-1-48 Rs. 760/-	2nd hand
10.	1" piston pump	English make	20-9-50 Rs. 250/-	New.
11.	Spare parts water tank - 2 - 100 gals capacity with 100 ft. galvanised pipes and 60 zinc sheets, 2 paddy boiling boilors and tools and a consignment of Rs. 400/- spare parts.	Local and also Batlibhoi & Co., Coimbatore.	Rs. 1,500/-	Some new & some old.

NOTE ON MACHINERY: When we were quite new to the world of machinery our new purchases made us suffer a heavy loss. We had the notion in general that the machinery was a costly affair and there are a few instances where we have paid Rs. 100/- for foundation bolts owing to iron scarcity. The machinery was purchased at a heavy cost than the prices prevalling in the market. Being new and unable to get the machinery from the direct importers we were put to a severe loss. Nobody has given us the correct memos, only on blank papere purposly to evade income-tax and sales tax. So, I will request you, Sir to believe me in what I am saying and help us in the matter in consolidating our position. In view of my young age and the context in which I am placed will really move the Members to a considerable extent and I hope I will be treated sympathetically looking to my miserable position.

6. (b) Machinery proposed to be Installed:

1. Oil Rotary is to be installed within a short period from any well-known makers, preferably a new one at an estimated cost of Rs. 1000/- (If more paddy is given to us for milling paddy separator will be purchased at a rough cost of Rs. 1800/-.

After depending upon the business trend and the money-market a proposal has been made for a tile factory at an estimated cost of Rs. 40,000/- on a ten year basis making a provision for the amount in the yearly profits beginning from 1951 onwards. It will take shape probably in September 1953. A capital amount of Rs. 4000/- will be invested on pug-mill and stamp-press, and another loan of Rs. 10,000/- will be raised for additional maintenance and working capital subject to the confirmation of the Director of Industries.

7. (a) Estimated cost of undertaking and probable time that will be occupied in its execution. (Details of recurring and non-recurring expenditure should be furnished seperately):

(i) Estimated non-recurring expenditure:

Particulars	Already incurred	Proposed to be incurred	Total
1. Land	Rs. 6,000/-	Rs. 1,000/-	Rs. 7,000/-
2. Buildings	Rs. 10,000/-	Rs. 1,000/-	Rs. 11,000/-
3. Machinery & Equipment	Rs. 12,130/-	Rs. 1,500/-	Rs. 13,630/-
4. Installations	Rs. 3,000/-	Rs. 500/-	Rs. 3,500/-
(TOTAL)	Rs. 31,130/-	Rs. 4,000/-	Rs. 35,130/-

Note: For mere repairs and for an engine room we have spent Rs. 10,000/-. The actual cost of the mill and the house now costs about Rs. 30,000/- according to present conditions.

7. (b) Estimated recuring expenditure per annum after the additions proposed above have been made:

1. Raw Materials and Stores			Rs. 1,000 0 0
2. Power and Fuel			Rs. 2,000 0 0
3. Labour			Rs. 3,000 0 0
4. Overheads			
Rent for Building	Rs. 100 0 0		
Expenses for management	Rs. 2000 0 0		
Advertisement	Rs. 200 0 0		
Interest on loans	Rs. 1500 0 0		
Depreciation	Rs. 1500 0 0		Rs. 5,300 0 0
		TOTAL	Rs. 11,800 0 0

Note: In case of unforseen circumstances we are prepared to forego the management expeditura and first provision will be made for the debts and instalments owed to the Government.

10/

— 8/ —

8. Aproximate number of operativse employed or to be employed:
Already employed: 3 men, to be employed 1.

9. Estimated net expenditure per annum in running the works:

Present expenditure:	Rs. 6,000/.
After loan is passed:	Rs. 11,800/-

10. Estimated net profits according:

Proforma Profit & Loss Accoout

	Income	Rs	As	Ps	Expenditure	Rs	As	Ps
1.	Rice Hulling wages	2,000	0	0	Raw materials	1,000	0	0
2.	Cocoanut Oil	7,000	0	0	Power aud Fuel	2,000	0	0
3.	Jaggery (wages)	2,500	0	0	Labour	3,500	0	0
4.	Sawing	2,000	0	0	Rent	100	0	0
5.	Flour	1,000	0	0	Management	2,000	0	0
6.	Coffee Powder	1,000	0	0	Interest on loans	1,500	0	0
7.	By hirect business & on comm.	2,000	0	0	Depreciation	1,500	0	0
					Advertisment	200	0	0
					Sundries	200	0	0
		17,500	0	0		12,000	0	0

showing a net profit of Rs. 5,500/-. Less first instalment 3,125, rupees 1,375 nett. If business is done carefully in the open market I am sure a get profit of 4% can be guaranteed on the total turnover of business.

11. Reasons why the business cannot be financed without State assistance:

If the loan for Rs. 25,000/- is passed the amount may be utilised as follows:

1.	Discharging the existing liabilities on land given as collateral security.	Rs. 6000	0	0
2.	Discharging the Bank's liability on the Mill given as security.	Rs. 6,000	0	0
3.	discharge personal liability i. e., pronotes aod personal loans.	Rs. 11,000	0	0
4.	To pay off any arrears in suspense, if any	Rs. 1,000	0	0
5.	In respect of purchasing the propesed machinery and its installations.	Rs. 1,000	0	0
		Rs. 25,000	0	0

Another Rs. 10,000/- secured by way of Bank Cash Credit will be utilised for business as working capital.

12. Nature extent of State aid applied for:

The particular clause of section 6 nnder which theaid is applied for should be stated. Sec. 6. "a" and "b" i. e.

A long term lon of Rs. 25,000/- and a Bank Cash Credit for Rs. 10,000/- as working Capital for the duration by 8 yeais. The amount of Rs. 25,000/- will be given by 8 yearly enstalments of Rs. 3,125/- execlusive of interest. The loan should be on cheep rate of interest and the liability will be discharged by 8 years. During this period of 8 years we should be given a Bank Cash Credit for Rs. 10,000/- in force for 8 years and after that period we are going to discharge the liability of both the Government and the Bank.

13. Discription of the property and the Mill offered as Security Plot No. 1 Mill. No. 2 to No. 11 Property enjoying all the Rights Self Cultivator- old Mulgeni.

Plot No.	S. No	Kisam	Extent	Assesment	Cocoanuts	Cash in Rs.	Rice	Rent payable to the land-lord by cash rice.	Net Rs.
I	208 1	Garden	0 69	4 2 0	1000	Nil.	5 muras	Rs. 12-0-0	208-0-0
	208 3	,,	0 10	0 11 0					
II	212 6	Dry	0 76	3 13 0				No land-lord	
	212 7	Wet	0 16	0 8 0	Nil.	10-6-0	20 muras	Assesment paying	
	212 11	Dry	0 18	0 4 0				4-9-0	286-0-0
III	209 3	Wet	2 69	18 5 0					
	209 5	,,	0 27	1 13 0					
	209 2	,,	1 13	7 10 0	1000	Nil.	72 muras	12 muras and Rs. 12/-	978 0 0
	209 4	,,	0 25	1 11 0					
	209 6	,,	0 36	2 7 0					
IV	211 10	Garden	0 75	3 0 0	Nil.	Nil.	6 muras	7-0-0	77 0 0
V	205 5	,,	0 23½	1 14 0					
	205 12	Wet	0 18½	1 2 0	500	Nil.	10 muras	22-12-0	192 4 0
	205 2	Garden	0 20	1 13 0					
	205 11	Wet	0 30	0 3 0					
VI	207 1	Garden	0 25	2 0 0					
	207 2	Wet	0 35	2 6 0	2000	Nil.	5 muras	21-5-0	353 11 0
	208 9	Garden	0 23	1 9 0					
VII	209 7	Wet	0 40	2 6 0	Nil.	Nil.	6 muras	7-0-0	77 0 0
	209 8	Wet	0 10	0 9 3					
VIII	212 8	Garden	0 21	1 4 0	1000	Nil.	Nil.	1-4-0	148 12 0
IX	212 9	Dry	0 33	0 5 0					
	212 12	Dry	0 16	0 3 0	Nil.	Nil.	10 muras	4 muras	84 0 0
X	211 6	Garden	0 18	1 8 0	Nil.	48-0-0	Nil.	4-12-0	43 4 0
IX	211 4	Garden	0 58	4 10 0	1000	Nil.	Nil.	4-10-0	145 6 0
		Total	10 55	68 12 0	6500	58-6-0	134 muras	16 muras & 57-4-0 by cash	2544 5 0

Net Income Rs. 2544-5-0

Plots No. 1, 2, 8 and 11 all Patta properties and the Rest old Moolgeni properties enjoying all the Rights. Self cultivaters. All properties under self Control and self acquisition.

PROPERTY INCOME.

Our Income: 6500 cocoanuts 134 muras of Rice and Rs. 58-6-0 by cash valuation is made by current Rate as 14 Rs. for 1 mura of Rice and Rs. 20 for 100 cocoanuts. Valuation made as Rs. 15 per 100. making our allowance of Rs. 5 towards depreciation and about Rile there will be no reduction of rate for the next 5 years. It coms to Rs. 2544-0-0.

The rent we have to pay to the land lord: 16 muras of Rice and 57-4-0 by cash valued about 281-4-0. Actual Assesment to be paid by the land lord 68-12-0 The net profit land lord is accuring Rs. 212-8-0. If valued at 6% the right of his ownership costs Rs. 3500/- which is quit difficult to purchase now as he is not willing to give.

Note 1. The Income is shown as 134 muras of Rice net and Rs. 58-10-6 and 6500 cocoanuts. We have got two other crops of Black gram, horse gram and green gram which will fetch us 60 muras. It is quite sufficients for our maintenance and working cost and labour. Most of the work is done by us. Yearly we are selling about 350 Rs. worth of strow to the Public which is quite enough to meet the seasonal labour.

Note 2: The amount we pay to tne land lord is 16 muras of Rice and 57-4-0. The land lord is Sri Nagar Vaman Rao who is a big Zamindar. We are his old land holders having a standing of 13 years. He is unwilling to our request for autright sale of his rights to us from repeated requests. If pressed he says as the rate of 3% return which is quite high at the market rate. It is the declared policy of the Govt. that they are doing all the favourable legislations to the beterment of the Agriculturists. So we are not purchasing his rights.

Note 3: Tne properties I am mentioning is situated in such a position, wherein river is surounding it. It has road passing through it. The shipping dock is qute another side of the river only 3 Furlongs from our dock. It is is considered to be an ideal place for heavy Industries with all the Modern facilitibs i. e., labour water, Road, Sea and River and lastly ample space for improvements and extentions, compact block of 10 acres and 55 cents wherein we have our Mill, House, and farms.

VALUATION OF SECURITY.

Net value of the buildings:

1. Mill, DWElling house, Jaggery manufacturing shed with machinery	Rs.	35,000	0	0
Site Value es Mill and ploc XI and IV	Rs.	20,000	0	0
2. Income herived from No. 1 to 11 offered as security Rs. 2,331-13-0 per annum valution by 6%	Rs.	38,875	0	0
(Note 3) Cost of site value in respect of item 4, 1 to 11	Rs.	6,000	0	0
TOTAL.	Rs.	99,875	0	0

This is the approximate valuation of the security offered. This is exclusive of goodwill and other previlages.

The Mill: The mill is facing to the sea in such a way that in front the road is terminated. On both sides of the Mill we will get the road river and the sea, an ideal mill for improvements with full of adjoining sites for developments. The Mill is 84 ft long 45 ft broad and having a peak height of 40 ft. The Mill is built on stone, cement and conerete.

House: The residential house is 50 ft long 30 ft broad and having a Jaggery preparation Shed: It is 30 ft long 20 ft braod and inside of it modern multipurposes furnace has been built at an estimated cost of Rs. 1700/- recently having 18 ft Chimney.

DESCRIPTION OF BUILDING

14. Nature and extent of applicant's right in the concern whether as co-sharer or proprietor or otherwise and his finencial resources: As the Chief Executive and Attorney and 3rd son to my father in succession and as a true heir to the estate and lastly as a manager of the family.

15. Nature and extent of the applicant's right to the property offered as security: Third son to my father and legal heir to the property and as the manager of the family.

16. Nature and extent of encumbrances on the immovable property offered as security primary or collaternal:

Rupees 6,000/- on the mill offered as security and Rs. 6,000/- on the property as collateral security.

17. Whether any arrears are due on the immoveable property offered as security primary or collateral and if so, the nature and extent of such arears: There may be some arrears, and I am sure it may not be more than Rs. 900/-. If loan is passed every clean receipts will be sent to the office for examintion.

18. Period within which and the number of instalments in which the applicant proposes to repay the loan:

Dev. Dept. DII

State Aid to Industries - Laxmi Damodhar Agrl. Industries, Madduguddu - Application for a loan of Rs. 35,000/- Rejected - Regarding.

Ref From Sri K. Devaraj Nayak, Chief Executive and Attorney, Laxmi Damodar Agricultural Industries, Madduguddu, Memorial to H.E. the Governor of Madras dated 4-3-1952.

Extract of Secretary's query on p.1 cf.

" Have we examined this T.M.L. 10/3 "

To A.S.

In January 1951, Sri K. Devaraja Nayak, Chief Executive and Attorney, Laxmi Damodhar Agricultural Industries, Madduguddu, applied under the provisions of the Madras State Aid to Industries Act for a loan of Rs. 25,000/- and a Bank cash credit for Rs. 10,000/- for discharge of existing liabilities, for purchase of an oil rotary and for use as working capital. The applicant company is engaged in rice milling, oil milling, saw milling, jaggery manufacturing etc., . The application was considered by the Board of Industries at its meeting held on 27-3-1951 and the Board considered that there were no reasons to justify grant of aid to the industries run by the applicant which were old and established. The Board therefore recommended the rejection of the application under Section 5(1)(d)(ii) of the State Aid to Ind. Act and the application was accordingly rejected by Govt.

2. The applicant has now made an appeal for reconsideration of his application for the grant of the loan and cash credit applied for. Submitted that the Govt. cannot grant aid to any industrial enterprise when the Board of Industries is against the rejection of an application.

…ritten, under Section 5 (1) (d) of the State Aid to …dustries Act, no aid shall be granted to any old …r established industry unless the Govt. are satisfied …at special reasons exist for the grant of the aid. …n the present case, the Board recommended the …jection of the application on the ground that the industries run by the applicant are old and established and that no special reasons could be adduced for the grant of the aid. In the circumstances it is for consideration

(1) whether the application may be rejected;

or

(2) whether the applicant may be informed that he may apply again to the D.I & C for the grant of State aid adducing special reasons if any.

For orders.

15.3.52

17.3.52

DS/S H M (Jr.)

The application may be rejected

18.3.52

I myself think S/
he may apply again 18
3

Orders above:

A draft Memo is submitted below for approval. (After issue, the papers may be added to the G.O. at (B).)

19.3.52

21/3/52

(Memo issued as Memo No. 27164 Dev/52-1 dt 21-3-52)

pp